

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2008 (UN-AUDITED)**



**1 STATUS AND NATURE OF BUSINESS**

Invest and Finance Securities Limited ('the Company') was incorporated under the Companies Ordinance, 1984 on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Karachi Stock Exchange (Guarantee) Limited. The registered office of the Company is situated at the 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan.

The Company is a Corporate Member of the Karachi Stock Exchange (Guarantee) Limited and the Lahore Stock Exchange (Guarantee) Limited and is engaged in Financial Brokerage, Corporate Finance and Equity Research.

**2 ACCOUNTING CONVENTION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are unaudited and subject to the limited scope review by the external auditor and are submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan.

These financial statements have been prepared using the same accounting convention, basis of preparation and significant policies as those applied in the preparation of the audited financial statements for the year ended June 30, 2008.

**3 TAXATION**

Provision for Taxation has been estimated at the current rate of taxation.

**4 FIXED ASSETS**

Fixed capital expenditure during the period amounted to Rs. 0.213 Million (June 30, 2008: Rs. 9.335 Million). Deletion in fixed asset during the period amounted to Rs. 0.436 Million (June 30, 2008: Nil)

**5 RELATED PARTY TRANSACTIONS**

The related parties comprise entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors, key management employees and employee's fund. The transaction with related parties, other than remuneration under the terms of employment are as follows:

	<b>Rupees</b>
Balance of loan & advances to key management employees outstanding as at December 31, 2008	14,799,484
Loan and advances paid to key management employees during the period	15,000,000
Amount paid to employee's fund during the period	484,896
Brokerage income earned from - Directors	4,350
Employees	3,467

**6 CONTINGENCY**

There is no change in contingencies disclosed in the last annual audited financial statements.

**7 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on February 16, 2009 by the Board of Directors of the Company.

**8 GENERAL**

Figures have been rounded off to the nearest rupee.

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CHIEF EXECUTIVE

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DIRECTOR