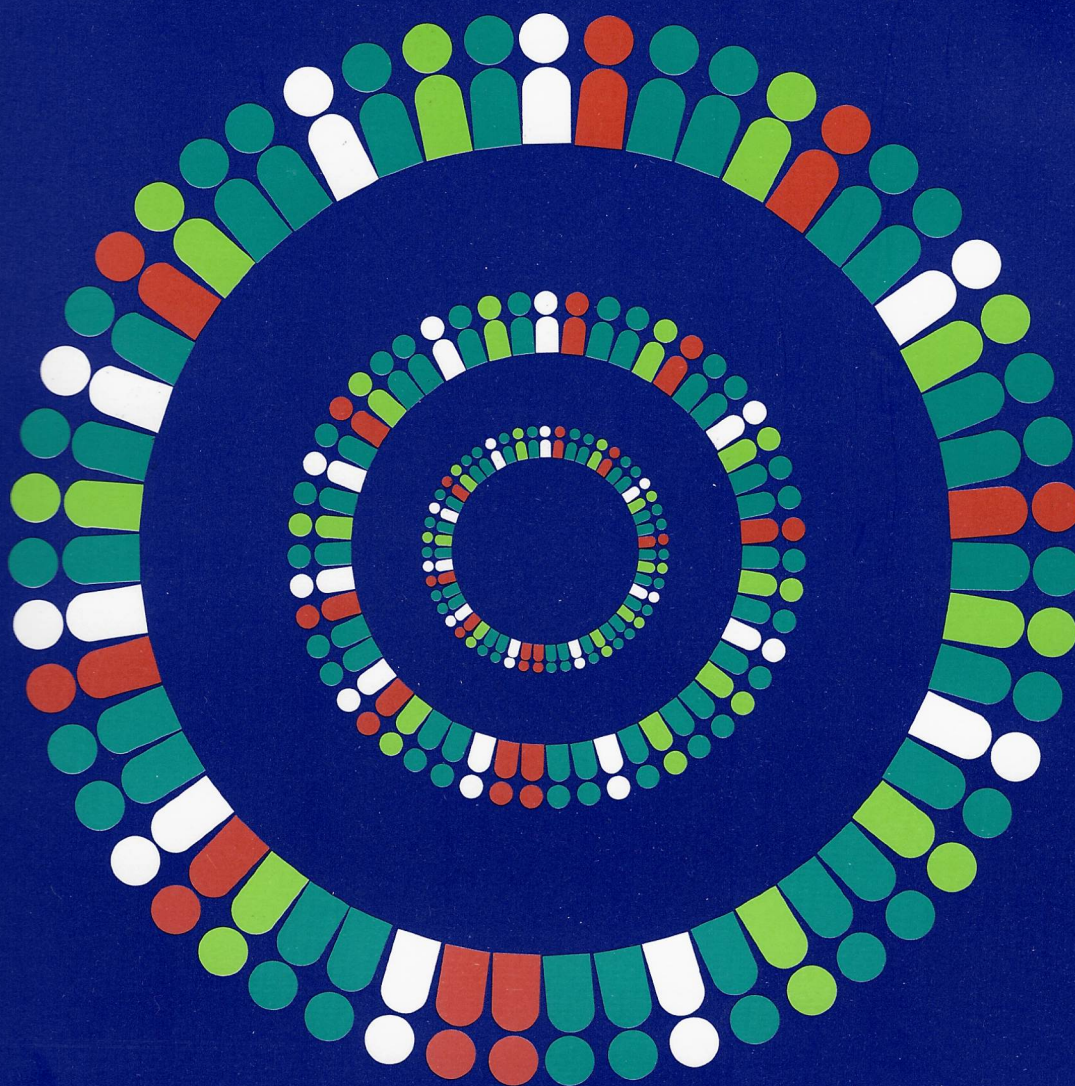


Chase Securities Pakistan (Private)
Limited

Financial Statements
For the period ended
April 16, 2021 to May 19, 2021



INDEPENDENT AUDITOR'S REPORT

To the members of CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statement of **CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED** which comprise the statement of financial position as at **May 19, 2021** and the statement of profit or loss and , the statement of changes in equity, the statement of cash flow for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and , the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at May 19, 2021 and of the loss for the period then ended; and , the changes in equity and its cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan / Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enables the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017; (XIX of 2017)
- b) the statement of financial position, the statement of profit or loss and or the income and expenditure account, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XIX Of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**.

KARACHI
DATE:



Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017; (XIX of 2017)
- b) the statement of financial position, the statement of profit or loss and or the income and expenditure account, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XIX Of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**.

KARACHI
DATE:

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MAY 19, 2021

	Note	MAY 19, 2021 (Rupees)
ASSETS		
CURRENT ASSETS		
Bank Balances	4	49,999,960
		<u>49,999,960</u>
TOTAL ASSETS		<u><u>49,999,960</u></u>
<u>EQUITY & LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
<u>AUTHORIZED SHARE CAPITAL</u>		
(600,000 Ordinary shares of Rs.100/- each)		<u><u>60,000,000</u></u>
Issued, subscribed and paid up capital		
(500,000 Ordinary shares of Rs.100/- each)	5	50,000,000
Un-appropriated loss		<u>(1,003,050)</u>
		48,996,950
CURRENT LIABILITIES		
Trade and other payables	6	1,003,010
		<u>1,003,010</u>
Contingencies & Commitment	7	-
TOTAL EQUITY & LIABILITIES		<u><u>49,999,960</u></u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED APRIL 14, 2021 TO MAY 19, 2021

	Note	MAY 19, 2021 (Rupees)
Expenses		
Incorporation expenses charged off		(260,000)
Operating and administrative expenses	8	(743,010)
		(1,003,010)
		(1,003,010)
Finance cost - Bank Charges		(40)
Loss Before Taxation		(1,003,050)
Tax Expense		-
Loss after taxation		(1,003,050)
Other comprehensive income		-
Total Comprehensive Income		(1,003,050)

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED APRIL 14, 2021 TO MAY 19, 2021

MAY 19, 2021
(Rupees)

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(1,003,050)
Adjustments for non-cash income and expenses	
Depreciation on property and equipment	-
	-
	(1,003,050)
Changes in working capital	
Trade and other payables	1,003,010
Cash generated from Operations	1,003,010
Net cash generated from operating activities	(40)

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash (used in) investing activities	-
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CASH FLOWS FROM FINANCING ACTIVITIES

Shares issued During the year	50,000,000
Net cash used in financing activities	50,000,000
Net increase / (decrease) in cash and cash equivalents	49,999,960
Cash and cash equivalent at the beginning of the year	-
Cash and cash equivalent at the end of the year	49,999,960

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED APRIL 14, 2021 TO MAY 19, 2021

	Issued, subscribed and paid up capital	Unappropriated profit/(loss)	Total
	-----Rupees-----		
Opening balance	-	-	-
Shares issued during the period	50,000,000	-	50,000,000
Loss after taxation during the period ended	-	(1,003,050)	(1,003,050)
Balance as at May 19, 2021	<u>50,000,000</u>	<u>(1,003,050)</u>	<u>48,996,950</u>

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED APRIL 14, 2021 TO MAY 19, 2021

1 THE COMPANY AND ITS OPERATIONS

Chase Securities Pakistan (Private) Limited, here after refer to as the "Company" is incorporated in Pakistan as a Private Limited Company on April 16, 2021 under the Companies Act, 2017. The principal business activity of the company is to act as TREC holder of PSX and provide brokerage and advisory services to clients. The company is in the process of applying for Trading Right Entitlement Certificate (TREC) to Pakistan Stock Exchange Limited for that purpose. The registered office of the Company is situated at 48/2, Street khayaban e Mujahid, Street B Corner, Phse 5 DHA Karachi.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan and the requirements of the Companies Act, 2017. Approved accounting standards comprise of International Financial Reporting Standards for Medium Sized Entities (MSEs) issued by the Institute of Chartered Accountants of Pakistan. Wherever the requirements of Companies Act, 2017, or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Act, 2017, or the requirements the said directives take precedence.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 ACCOUNTING CONVENTION

These financial statements have been prepared under historical cost convention.

3.2 TAXATION

Provision for current taxation in the accounts is based on taxable income at current rates of taxation after taking into account tax credits tax rebates.

3.3 CASH AND CASH EQUIVALENT

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, cheques in hand, deposit held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.4 ACCOUNTS PAYABLE & OTHER LIABILITIES

Liabilities for trade and other payables and other amounts payable are recognised and carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received whether or not billed to the company.

3.5 FINANCIAL ASSETS AND LIABILITIES

The entity initially measures its *financial assets and financial liabilities* at transaction cost.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognised at net income. The previously recognised impairment loss may be reversed to the extent of the improvement, directly or adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognised previously. The amount of the reversal is recognised at net income.

CHASE SECURITIES PAKISTAN (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED APRIL 14, 2021 TO MAY 19, 2021

4 CASH AND BANK BALANCES

Cash in bank

- Current accounts

49,999,960

49,999,960

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary shares of Rs. 100 each issued for consideration paid

50,000,000

5.1 PATTERN OF SHAREHOLDING

	Number of shares	Percentage of shareholding
i Ali Nawaz	400,000	80.00%
ii Kumail Raza	100,000	20.00%
	500,000	100.00%

6 TRADE AND OTHER PAYABLES

Accrued expenses

743,010

Payable to Chief Executive Officer

260,000

1,003,010

7 CONTINGENCIES AND COMMITMENTS

The company has no contingencies and commitments.

8 OPERATING AND ADMINISTRATIVE EXPENSES

Auditor's Remuneration

40,000

Legal and Professional

703,010

743,010

8.1 Auditor's Remuneration

Audit fee

40,000

Payable to Chief Executive on account of initial expenditure

260,000

Shares issued to Chief executive and Directors

50,000,000

10 NO. OF EMPLOYEES

The average number of employees including temporary and daily wages labour at period end as at Apr 30, 2021 are as follows:

As on reporting date	<u>2</u>
Average during the period	<u>2</u>

11 DATE OF AUTHORIZATION FOR ISSUE

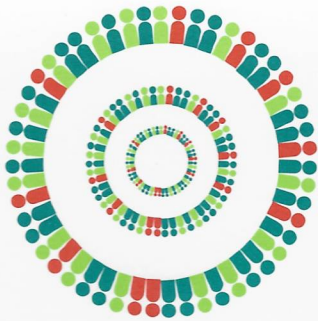
The financial statements were authorized for issue by the Board of Directors on _____

12 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR



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