

**INDEPENDENT AUDITORS' REPORT**

To the members Highland Securities (Private) Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Highland Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 June 30, 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year 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 (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.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be



materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable 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 operations, 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 scepticism 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 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss, the statement of comprehensive income, 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- No zakat was deductible at source under the zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the Financial Statements was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Aslam Khan.

Leevel-Abdusca

IECnet S.K.S.S.S.
Chartered Accountants
Lahore



Date: October 04, 2021

HIGH LAND SECURITIES (PRIVATE) LIMITED

Financial Statements

For the Year Ended 30 June 2021

HIGHLAND SECURITIES (PRIVATE) LIMITED

Statement of Financial Position


at 30 June, 2021

ASSETS	Note	2021 Rupees	2020 Rupees
Non-current assets			
Property and equipment	5	4,268,159	4,485,299
Intangible assets	6	2,500,000	2,500,000
Long term investments	7	20,533,912	19,082,275
Long term deposits	8	400,000	400,000
		27,702,071	26,467,573
Current assets			
Trade & other receivables	9	1,326,130	3,824,506
Prepayments and advances	10	9,035,838	3,206,194
Other financial assets	11	5,433,319	2,694,007
Cash and bank balances	12	2,088,410	3,031,882
		17,883,697	12,756,588
		45,585,768	39,224,162
EQUITY & LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	13	36,000,000	36,000,000
Unappropriated profit		(10,283,004)	(11,437,438)
Share Money		-	-
Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI		10,895,717	9,444,080
Total equity		36,612,713	34,006,642
Advance against issue of shares		6,759,999	3,760,000
Current liabilities			
Trade and other payables	14	2,213,055	1,457,520
Current tax liability	15	-	-
		2,213,055	1,457,520
Contingencies and commitments	16	-	-
		45,585,768	39,224,162

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive Officer




Director

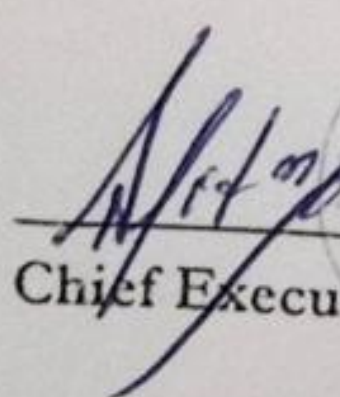
HIGH LAND SECURITIES (PRIVATE) LIMITED

Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Operating revenue	17	1,222,056	1,339,174
i. Realized Gain/(loss) on sale of short term investments FVTPL		17,341	(157,499)
ii. Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		-	-
		<u>1,269,648</u>	<u>299,319</u>
Other income and losses	18	1,882,782	2,050,150
Operating and administrative expenses	19	(3,140,599)	(2,419,470)
Other operating expenses	20	-	(29,277)
Operating profit / (loss)		<u>1,251,229</u>	<u>1,082,396</u>
Finance costs	21	(9,698)	(11,502)
Profit / (loss) before taxation		<u>1,241,531</u>	<u>1,070,894</u>
Income tax expense	22	(87,097)	(211,227)
Profit/(loss) for the year		<u>1,154,434</u>	<u>859,667</u>
Earnings/(loss) per share - basic	23	0.32	0.37

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive Officer




Director

SH LAND SECURITIES (PRIVATE) LIMITED

Statement of Cash Flows

for the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation			
Adjustments:		1,241,531	1,070,894
Depreciation and impairment		246,440	262,998
Realized loss / (gain) on sale of short-term investments		(17,341)	157,499
Unrealized loss / (gain) on short-term investments		(1,269,648)	(299,319)
Dividend income		(590,783)	(686,730)
Operating profit before working capital changes		(1,631,332)	(565,551)
(Increase)/decrease in current assets		(389,801)	505,343
Trade & other receivables		2,498,376	(3,232,605)
Prepayments and advances		(5,825,775)	(1,751,485)
Increase/(decrease) in current liabilities		755,535	(2,724,161)
Trade and other payables		(2,571,864)	(7,708,251)
Cash generated from / (used in) operations		(2,961,665)	(7,202,908)
Proceeds from net sales of / (acquisition of) short-term investments		(1,454,671)	3,393,882
Dividend received		590,783	686,730
Taxes paid		(88,617)	(103,010)
Net cash from operating activities		(952,505)	3,977,602
		(3,914,170)	(3,225,307)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(29,300)	-
Decrease / (increase) in long-term deposits		-	100,000
Net cash generated from / (used in) investing activities		(29,300)	100,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of share deposit money		2,999,999	-
Net cash generated from / (used in) financing activities		2,999,999	-
Net (decrease)/increase in cash and cash equivalents		(943,472)	(3,125,307)
Cash and cash equivalents at the beginning of the year		3,031,882	6,157,187
Cash and cash equivalents at the end of the year	12	2,088,410	3,031,882

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive Officer



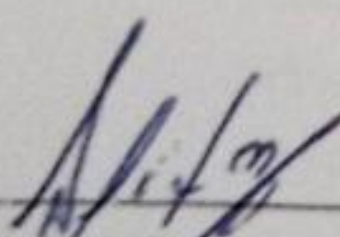

Director

Statement of Changes in Equity
for the year ended June 30, 2021

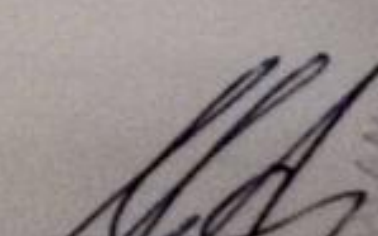
.....) LIMITED

	Issued, subscribed and paid-up capital	Unappropriated profit/ (loss)	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
Rupees.....			
Balance as at June 30, 2019	36,000,000	(12,297,105)	9,520,038	33,222,933
Total comprehensive income for the year				
Profit for the year	-	859,667	(75,958)	783,709
Other comprehensive income/(loss)	-	-	-	-
Balance as at June 30, 2020	36,000,000	859,667	(75,958)	783,709
Shares issued during the year	-	(11,437,438)	9,444,080	34,006,642
Total comprehensive income for the year				
Profit for the year	-	1,154,434	1,451,637	1,154,434
Other comprehensive income/(loss)	-	-	-	-
Balance as at June 30, 2021	36,000,000	(10,283,004)	10,895,717	36,612,713

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Executive Officer




Director