The Institute of Chartered Accountants of Pakistan

Multi Subject Assessment Stage

5 June 2023
4 hours and 15 minutes – 100 marks

Financial Reporting and Assurance Professional Competence

CRN: | | | | | | |

Name: ______________________________

INSTRUCTIONS

Please carefully read the following instructions:

1. You are required to access your Examination Questions by using your Student ID and Password as mentioned on your Admit Card.
2. The overall duration of the exam is 4 hours and 15 minutes, which includes the reading time and an extra 30 minutes of time that has been allocated due to the introduction of computer-based examinations, for the June 2023 examinations only.
3. All questions are compulsory.
4. Questions can be attempted in any sequence.
5. There is no specific time allocated for individual questions.
6. An auto-save function runs every minute, ensuring that your answers are saved automatically when you navigate between questions or click on the > **(NEXT)** or < **(BACK)** symbols.
7. Each question provides an answer area with a Rich Text Format (RTF) editor for writing your answers. Additionally, below the RTF editor, a spreadsheet is provided to facilitate examinees in doing rough calculations or other workings. **However, please note that any work performed in the spreadsheet will not be considered for marking. To ensure your work is considered, you must copy and paste it from the spreadsheet to the RTF editor.**
8. Work done in the spreadsheet of one question can also be copied into the RTF editor of the same or another question.
9. You may use Microsoft Office applications such as MS Word or MS Excel for rough working. However, please remember that any work performed in these applications cannot be copied into the examination software, and vice versa. Furthermore, any such work cannot be uploaded with your exam for marking.
10. You may use pen and paper for rough work, but please note that pen and paper work should only be done on the last two pages of the question paper that are specifically allocated for this purpose. Remember that any rough work done on these pages cannot be uploaded with your exam for marking.
11. In accordance with the open book policy of this paper, you are allowed to have a maximum of **FIVE** original books duly bound. Please ensure that the books or notes you bring are permissible under the open book policy. Keeping a book or notes that are not permissible will be considered a violation of the use of unfair means policy.
12. An external calculator can be used, provided it is included in the list of permissible calculators issued by ICAP.
13. During the exam, access to any website other than Assessment Master is strictly prohibited. Engaging in such activities will be considered a violation of the use of unfair means policy, leading to disciplinary action.

QUESTION 1

You are an audit senior with Bukhari Co. and are involved in planning the year-end audit of a client, Punjab Property Co. (PPC). PPC is a property development company whose primary business is constructing and holding commercial properties to earn rental income. Occasionally, properties are sold to third parties on completion.

Syed Nawaz, the audit partner, has presented you with the following information relating to the upcoming audit of PPC:

Appendix 1 provides background information on PPC.

Appendix 2 includes extracts from the draft financial statements of PPC for the year ended 30 April 2023.

Appendix 3 is an email from Sulaiman Qureshi, the financial accountant at PPC, which provides information on certain financial reporting issues.

Appendix 4 contains a transcript of a phone message left for you by Syed Nawaz.

Appendix 5 contains an email from Ayesha Al Ameen, the finance director at PPC, noting that payroll was outsourced during the year.

Appendix 6 contains an internal memo to Syed Nawaz detailing two professional and ethical issues.

Requirements

(a) Review the background information (Appendix 1), PPC's draft financial statements for the year ended 30 April 2023 (Appendix 2) and the financial reporting issues outlined in the email (Appendix 3) and identify and explain the key audit risks. **(15 marks)**

(b) Explain, with supporting calculations, the correct financial reporting treatment for the issues identified in Appendix 3 and prepare the journal entries for any necessary adjustments. **(20 marks)**

(c) Prepare briefing notes that identify and explain relevant differences between full IFRS and the IFRS for SMEs. **(05 marks)**

(d) In relation to PPC's use of a service organisation, explain the matters that Bukhari Co. is required to obtain an understanding of in accordance with ISA 402. **(04 marks)**

(e) Discuss the professional and ethical issues raised in Appendix 6 and recommend the appropriate action Bukhari Co. should take. **(06 marks)**

Total: 50 marks

APPENDIX 1 – BACKGROUND INFORMATION

PPC is a successful property development company based in Pakistan. The business constructs and owns commercial properties to earn rental income. Most properties are let out to third parties under finance leases, however some arrangements are structured as operating leases. PPC uses spreadsheets to record and track which properties are let out under each type of lease.

Construction of property
The company has a policy of capitalising borrowing costs when it constructs property. In the year ended 30 April 2023, PPC has capitalised borrowing costs totalling Rs. 1,000 million relating to property under construction.

Purchase of Khyber Construction Co.
On 5 May 2023, PPC announced it has acquired a controlling interest in Khyber Construction Co. (KCC). KCC is a large competitor of PPC which also constructs and rents out commercial properties.

Annual bonus scheme
PPC runs an annual bonus scheme for all directors. 60% of the bonus is calculated using individual measures that are set for each director based on meeting personal targets set for their role. The remaining 40% of the bonus is based on the profit level of PPC as follows:

Profit before tax (Rs. in million)	Bonus as a percentage of salary
Up to 7,500	1%
7,501 – 10,000	5%
10,001 – 15,000	10%
Greater than 15,000	25%

Head office
The number of staff employed by PPC has grown rapidly in the past few years to allow the company to develop and manage a growing portfolio of properties. To accommodate the extra staff required for a larger company, PPC moved its head office to a new building in Karachi on 1 August 2022. The new building was originally constructed for resale, but PPC realised it would suit its needs perfectly and decided to keep it for itself. The new head office building is currently valued at Rs. 1,300 million on the statement of financial position. The vacated head office has a carrying value of Rs. 980 million on PPC's statement of financial position.

APPENDIX 2 – EXTRACTS FROM DRAFT FINANCIAL STATEMENTS OF PPC

Statement of profit or loss for the years ended 30 April

	2023	2022
	----- Rs. in million -----	
Revenue – rental income	6,950	5,830
Revenue – service charge and maintenance income	970	890
Revenue – other income	180	190
Total revenue	**8,100**	**6,910**
Cost of sales	(1,860)	(1,720)
Operating expenses	(1,380)	(1,580)
Profit before gains on property	**4,860**	**3,610**
Gain on investment property	24,900	-
Profit before net financing costs	**29,760**	**3,610**
Finance income	5,330	5,770
Finance costs	(1,300)	(1,900)
Profit before tax	**33,790**	**7,480**
Taxation	(820)	(780)
Profit for the year	**32,970**	**6,700**

Statement of financial position as at 30 April

	2023	2022
	----- Rs. in million -----	
Non-current assets		
Investment property	48,000	21,520
Property, plant and equipment	2,300	2,120
Property under construction	7,250	7,450
Net investment in finance leases	68,400	72,640
Financial assets	1,200	-
	127,150	**103,730**
Current assets		
Inventories	2,100	3,350
Net investment in finance leases	3,200	3,240
Trade and other receivables	2,130	2,450
Cash	28,250	23,400
	35,680	**32,440**
Total assets	**162,830**	**136,170**
Equity		
Ordinary share capital	20,000	15,000
Retained earnings	92,340	69,370
	112,340	**84,370**
Non-current liabilities		
Borrowings	38,450	43,440
Deferred tax	4,290	2,310
	42,740	**45,750**
Current liabilities		
Trade and other payables	6,900	5,300
Current taxes	850	750
	7,750	**6,050**
Total equity and liabilities	**162,830**	**136,170**

Statement of changes in equity for the year ended 30 April 2023

	Ordinary share capital	Retained earnings	Total
	---------------- Rs. in million	----------------	
At 1 May 2022	15,000	69,370	84,370
Share issue	5,000	-	5,000
Profit for the year	-	32,970	32,970
Dividends paid	-	(10,000)	(10,000)
At 30 April 2023	**20,000**	**92,340**	**112,340**

APPENDIX 3 – EMAIL FROM FINANCIAL ACCOUNTANT

To: Syed Nawaz
From: Sulaiman Qureshi, Financial Accountant
Date: 15 May 2023
Subject: Financial reporting issues

Dear Syed,

It was good to discuss the upcoming audit earlier today. As requested, I write to provide the additional information that you requested on certain events and transactions that arose in the year.

Accounting policy for investment property
PPC decided to change its accounting policy for investment property on 30 April 2023 from the cost model to the fair value. The board decided this would be appropriate as it brings PPC into line with other companies in the industry and makes PPC financial statements comparable with those of its competitors.

We intend to apply the change prospectively and, therefore, the only evidence of the new policy in the 2023 financial statements is a significant increase in the carrying amount of investment property as compared to 2022 and a large non-recurring gain in profit or loss. We will disclose this as an unusual item in the notes to the financial statements so that shareholders are aware of the reasons for the jump in profits.

We think this policy will really boost our financial statements. We have been monitoring the fair value of our investment properties against depreciated historic cost for some time now and as you can see there is a definite upward trend.

	30 April 2021	**30 April 2022**	**30 April 2023**
	---------------- Rs. in million ----------------		
Cost	24,000	24,000	26,200
Accumulated depreciation	(1,960)	(2,480)	(3,100)
Carrying amount	22,040	21,520	23,100
Fair value	41,000	45,500	48,000

New lease arrangement
During the year, we finished construction of a new property at a cost of Rs. 1,200 million and recognised this amount as an investment property. Depreciation commenced over a 50-year useful life. The property was leased to a tenant on 1 November 2022 using a slightly more complex arrangement than those we have used previously. The initial lease term is four years, and the tenant has an option to extend the term for a further two years. Discussions with the tenant have led us to believe that it is reasonably certain that they will exercise this option.

The first two years of the lease are provided rent free as incentive. Subsequently, lease payments are at a fixed rate of Rs. 28 million paid in arrears on 30 April and 31 October 2025 and Rs. 28.6 million paid on 30 April and 31 October 2026. The increased rent in 2026 represents an inflationary increase of 2%. If the lease is extended, the payments drop to a fixed Rs. 13.5 million paid every six months throughout the extension term. Payments, including those made during a lease extension, include the provision of maintenance services. This arrangement was priced very competitively in order to secure the tenant. Historically, we would have charged annual rent of Rs. 27 million to lease the property and an additional Rs. 3 million to provide maintenance services.

The accounts team has made no accounting entries for the arrangement in the year. We anticipate using this type of arrangement again and so it is important that we get the accounting right.

Debt investment
On 1 May 2022, PPC acquired Rs. 1,200 million 6% bonds in a listed company operating in the retail industry. The bonds are redeemable at a premium in 2026. We intend to hold the bonds until then, and the effective interest rate is 7%. Interest is paid annually in arrears. We have never held long-term financial assets such as this before, but I believe that we have applied IFRS 9 correctly by recognising the bonds at their cost of Rs. 1,200 million (there were no transaction costs) and retaining them at this amount throughout the financial year. We have also recorded finance income of Rs. 72 million in profit or loss. No other accounting entries have been made.

At 30 April 2023, we became aware that the retail company has been struggling financially in the current economic environment and has suffered a decline in revenue and margins.

An external credit agency has already downgraded the credit rating of the bonds. I asked a member of the financial team to consider what we might receive if the borrower defaults, and this is the schedule they prepared showing the present value of future cash flows in two scenarios and associated probabilities:

Default within 12 months		Default at any time before 2026	
Cash flows	**Probability**	**Cash flows**	**Probability**
As per contract	80%	As per contract	75%
Rs. 1,000 million	15%	Rs. 990 million	20%
Rs. 950 million	5%	Rs. 800 million	5%

I hope this provides you with the information that you require – please call me if you need anything else.

Kind regards,

Sulaiman

APPENDIX 4 – PHONE MESSAGE TRANSCRIPT

Hello, it's Syed. I have just taken a call from the finance director at PPC, Ayesha Al Ameen. PPC has announced plans to acquire a controlling interest in Khyber Construction Company (KCC), which operates in the same sector as PPC and uses a very similar business model. KCC uses IFRS for SMEs rather than full IFRS. It has been a long time since I studied for my accountancy exams and, I have to confess, I know very little about IFRS for SMEs. I would like you to prepare me some briefing notes explaining how it differs from full IFRS in key areas that are relevant to the client. I do not have a lot of time to spend on this, so I would really like you to concentrate on relevant areas only based on your knowledge of PPC – things like investment property, borrowing costs and lessor accounting. Also, do make the notes brief and easy to read. You can assume that I know the full IFRS treatment. Please call me back if you have any questions.

Many thanks,

Syed

APPENDIX 5 – EMAIL FROM FINANCE DIRECTOR

To: syed.nawaz@bukhari.com
From: ayesha.al.ameen@PPC.com
Date: 5 May 2023
Subject: Payroll

Dear Syed,

I understand you are planning the audit of PPC's financial statements for the year ended 30 April 2023 and need to be updated on a change we have made in the year.

On 1 May 2022, PPC outsourced payroll services to an external provider, Dhanial Payroll Solutions Ltd. This has allowed us to save costs and focus on our core property business.

Kindest regards,

Ayesha

Ayesha Al Ameen
Finance Director
Punjab Property Co.

APPENDIX 6 – INTERNAL MEMO

Memo

Re: Punjab Property Co.
To: Syed Nawaz, audit partner
From: Zahida Wahab, managing partner
Date: 10 May 2023

The following points have come to my attention.

1. The audit fees for the audit of PPC for the year ended 30 April 2022 are outstanding.
2. Mohammad Hashmi, the audit manager of PPC's financial statements for the year ended 30 April 2022, left Bukhari Co. in December 2022. He is now employed as the financial controller at PPC.

I trust you will deal with these matters. Please report back to me to let me know the action taken.

Zahida

QUESTION 2

You are Arfaana Khan, an accountant working in the finance team of Gujjar Footwear Co (GFC), a manufacturing company. The company holds controlling interests in two other companies, Runner Shoes Co (RSC), which manufactures sports footwear and Kidz Feet Co. (KFC) which manufactures children's footwear.

You have been presented with the following information.

Appendix 1: A group structure diagram and acquisition information prepared at 1 May 2022.

Appendix 2: Separate statements of financial position for GFC, RSC and KFC as at 30 April 2023.

Appendix 3: File note of transactions and issues in the year.

Appendix 4: An email from Rukhsana Bakhash, the GFC financial controller, providing details of the part disposal of KFC in the year and requesting a calculation of the gain or loss on disposal.

Appendix 5: Notes detailing two professional and ethical matters.

Requirements

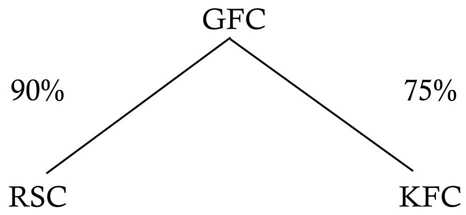
(a) Prepare a calculation of the gain or loss on the part disposal of KFC together with the explanatory notes as requested by Rukhsana. **(09 marks)**

(b) Prepare the consolidated statement of financial position for the GFC Group as on 30 April 2023. **(11 marks)**

(c) Discuss the professional and ethical issues raised in Appendix 5 and recommend the appropriate action you should take. **(05 marks)**

Total: 25 marks

APPENDIX 1 – GROUP STRUCTURE DIAGRAM AND ACQUISITION INFORMATION PREPARED AT 1 MAY 2022



RSC

- Acquired 1 August 2021
- NCI measured using the proportionate method
- Retained earnings at acquisition Rs. 3,420 million; no other reserves
- At acquisition, RSC had an unrecognised brand with a fair value of Rs. 576 million and a useful life of 12 years.

KFC

- Acquired 1 February 2015
- NCI measured at Rs. 560 million using the fair value method
- Retained earnings at acquisition Rs. 1,250 million; no other reserves
- Fair value adjustment made to property on acquisition: fair value was Rs. 120 million in excess of carrying amount and the property had a remaining useful life of 10 years.

APPENDIX 2 – STATEMENTS OF FINANCIAL POSITION FOR GFC, RSC AND KFC AT 30 APRIL 2023

	GFC	RSC	KFC
	------------- Rs. in million -------------		
Non-current assets			
Property, plant and machinery	6,600	5,900	2,100
Intangible assets	1,400	1,800	1,600
Financial assets	750	-	410
Investment in RSC	5,620	-	-
Investment in KFC	600	-	-
	14,970	**7,700**	**4,110**
Current assets			
Inventories	940	800	820
Trade and other receivables	820	880	560
Cash and cash equivalents	120	280	190
	1,880	**1,960**	**1,570**
Total assets	**16,850**	**9,660**	**5,680**
Equity and liabilities			
Share capital	400	1,500	800
Retained earnings	13,120	5,590	3,195
Financial asset reserve	150	-	105
	13,670	**7,090**	**4,100**
Non-current liabilities			
Borrowings	2,090	1,570	890
Current liabilities			
Trade and other payables	990	920	620
Current tax payable	100	80	70
	1,090	**1,000**	**690**
Total equity and liabilities	**16,850**	**9,660**	**5,680**

Note:
Investments in RSC and KFC are measured at cost in the separate financial statements of GFC in accordance with IAS 27.

APPENDIX 3 – FILE NOTE OF TRANSACTIONS AND ISSUES IN THE YEAR

Transfer of production machinery from GFC to RSC
On 1 November 2022, GFC transferred machinery to RSC for Rs. 589 million. The machinery had originally cost Rs. 720 million on 1 May 2018 and was determined to have a useful life of 20 years at that date. The useful life remains unchanged after the transfer.

Disposal of shares in KFC
On 31 January 2023, GFC sold a 50% shareholding in KFC to an unrelated party. The GFC has retained a 25% shareholding which gives it significant influence over KFC.

Intercompany sales
In April 2023, GFC sold soles and laces to KFC for Rs. 30 million, making a profit on the sale of Rs. 12 million. At 30 April 2023, KFC had not used any of these items and had not paid GFC the invoiced amount.

APPENDIX 4 – EMAIL FROM FINANCIAL CONTROLLER

To: Arfaana Khan
From: Rukhsana Bakhash
Date: 6 May 2023
Subject: Disposal of shares in KFC

Hi Arfaana,

I am conscious that we need to move forward with preparing the consolidated financial statements in draft form ready for the auditors coming, and one aspect of this is replacing GFC's gain on the part disposal of the holding in KFC with the group gain within the consolidated statement of profit or loss.

I know that you have recently completed the part of your training that includes advanced consolidation techniques, and I think this is a great opportunity for you to pass some of that knowledge on to Muhammed, the first-year trainee on the team.

Please could you calculate the group gain on the part disposal of KFC and prepare explanatory notes for Muhammed so that he understands why the group gain differs from GFC's separate company gain. Also, a reconciliation of the two gains on disposal would be helpful for this purpose. I do not believe that the information on file (Appendix 3) has been updated for the disposal and so the notes below will be useful to you.

Please do call me if you have any questions.

Kind regards,

Rukhsana

Notes:
- The disposal was correctly accounted for in GFC's separate financial statements at the disposal date of 31 January 2023, giving rise to a gain on disposal of Rs. 1,150 million.
- Goodwill has not been impaired since acquisition.
- In the year ended 30 April 2023, KFC's draft profits were Rs. 192 million and these accrued evenly across the year.
- The balance on KFC's financial asset reserve at 31 January 2023 was Rs. 92 million. The financial assets are all equity investments measured at fair value through other comprehensive income in accordance with IFRS 9.
- The fair value of a 25% shareholding in KFC at 31 January 2023 was Rs. 1,100 million.

APPENDIX 5 – NOTES ON PROFESSIONAL AND ETHICAL MATTERS

Rukhsana Bakhash has asked you to prepare and file GFC's income tax return for the year ended 30 April 2023. You have never prepared an income tax return before and have not yet completed the tax part of your accountancy training.

Later that day, you visit the factory where GFC manufactures shoes and you recognise three members of staff working on the factory floor as local 13-year-olds. You are aware that the minimum age for employment as per the Constitution of Pakistan is 14 years. When you confront the three staff in question, they reveal they lied about their ages when applying for their roles. They ask you to not reveal their true age to GFC management as their families need them to work.

QUESTION 3

You are Aqsa Khan, audit senior at Zaman Co. and have been working on the year-end audit of The Leisure Group (TLG) for the year ended 31 March 2023. The group operates hotels throughout Pakistan under a number of brands, as well as a number of restaurant and coffee shop chains. During the year, it sold a budget chain of hotels and closed down a chain of motels in order to focus its strategy on the luxury end of the hotel market. Total revenue in the draft consolidated financial statements is Rs. 9,854 million and total assets are Rs. 22,582 million at 31 March 2023.

You have been presented with the following information:

Appendix 1 is an email from Aamir Musharaff, the audit manager with two attachments:

(1) Gratuity working papers and notes prepared by an audit junior
(2) Notes on the new customer loyalty scheme at the group's hotels

Appendix 2 includes information detailing an inconsistency between the financial statements of TLG and the directors' report.

Appendix 3 is an extract from a draft group auditor's report.

Requirements

(a) Prepare a reconciliation of the net defined benefit liability together with required journal entries and explanatory notes for the audit junior. **(09 marks)**

(b) Prepare notes for the audit manager with supporting calculations that explain how the customer loyalty scheme should have been accounted for. **(06 marks)**

(c) In relation to the information provided in Appendix 2:

(i) Explain the actions Zaman Co. should take in this situation. **(05 marks)**

(ii) Explain the impact on the group auditor's report if TLG refuse to adjust the directors' report to agree with the audited group financial statements. **(02 marks)**

(d) Critically assess the draft group auditor's report (Appendix 3) which has been prepared for TLG and suggest any changes which need to be made. **(03 marks)**

Total: 25 marks

APPENDIX 1 – EMAIL FROM THE AUDIT MANAGER

To: Aqsa Khan
From: Aamir Musharaff
Date: 31 May 2023
Subject: TLG audit

Dear Aqsa,

The year-end audit for TLG seems to be going really well – I hope that you enjoyed your visit to the client's premises last week!

I was hoping that you could help me out with a couple of matters related to the audit and TLG please.

Firstly, Irhaa, the audit junior, has prepared some working papers (attached) in relation to the TLG defined benefit gratuity scheme, but I think she has become a little confused as regards the accounting treatment – her re-performed calculations do not agree with the client's numbers, and some of her written notes are incorrect. Could you have a look at her work and prepare a corrected schedule please? I think some explanatory notes, including journal entries for the elements of the gratuity calculation that she got wrong, would help her to learn from her mistakes.

Secondly, TLG introduced a customer loyalty scheme at its Luxe hotel chain in the year, but I think an incorrect accounting treatment has been applied. I have made some notes (also attached) following a conversation with the client but I am very time pressured at the moment so I would like you to have a look and write briefing notes explaining the correct treatment.

Many thanks,

Aamir

Attachment 1 – Working papers – defined benefit gratuity scheme

	Rs. in million
Net deficit at 1 April 2022, advised by actuary (8,200 asset – 8,505 liability)	(305)
Contributions paid in	150
Interest [{(305 + 790)/2} × 4.5%]	(25)
Gratuity payments	(210)
Current service cost	450
	60
Remeasurement	(850)
Net deficit at 31 March 2023, advised by actuary (8,270 asset – 9,060 liability)	(790)

Interest expense, the current service cost and the remeasurement should be recognised in profit or loss.

Notes:

1. The Rs. 150 million contributions and Rs. 210 million benefits were paid on 31 March 2023.
2. On 31 March 2023, TLG closed its motel chain and made staff working in that division redundant as part of its strategy to focus on luxury hotels. As part of the redundancy package, Rs. 100 million was added to the value of the relevant staffs' gratuity. This amount is reflected in the net deficit balance carried forward at 31 March 2023 and so forms part of the remeasurement. No gratuity payments were made to staff as a result of the closure of the division.
3. The market yield on high quality corporate bonds was 4% at 1 April 2022 and 4.5% at 31 March 2023.

Attachment 2 – Notes on customer loyalty scheme

- The customer loyalty scheme was introduced at the start of October 2022, although the redemption of points will not be available until 1 April 2023.
- Hotel guests collect points relating to their spending on hotel rooms with one point given for every Rs. 250 spent.
- Each point is worth Rs. 25 that can be used as payment towards future hotel stays. Any excess cost above a customer's points value must be paid in cash.
- Market research and discussions with industry peers have indicated that 9% of points will never be redeemed.
- TLG finance team has recorded all receipts from Luxe hotel stays throughout the year ended 31 March 2023 as revenue on an accrual basis. This includes Rs. 240 million since the loyalty scheme was introduced.
- No accounting entries will be made when loyalty scheme points are redeemed.

APPENDIX 2 – NOTES ON INCONSISTENCY

TLG's group financial statements show property with a carrying value of Rs. 6,500 million in the group statement of financial position at 31 March 2023. However, the directors' report contains the following statement:

> The group owns properties with a carrying value of Rs. 7,000 million which consist of a number of owned hotels and restaurants. The group continues to grow our business via acquisition, including the purchase of the Blossom hotel chain for Rs. 500 million.

The audit team has found a signed contract showing that the Blossom hotel chain was purchased on 8 April 2023 for Rs. 500 million.

APPENDIX 3 – EXTRACTS FROM DRAFT GROUP AUDITOR'S REPORT

Opinion

We have audited the consolidated financial statements of The Leisure Group and its subsidiaries (the Group) except for Hingol Ltd, which comprise the consolidated statement of financial position as at 31 March 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended. This also includes notes to the consolidated financial statements, including a summary of significant accounting policies. The financial statements of Hingol Ltd were audited by Mahar Co. which is responsible for the auditor's opinion on this company.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects (or give a true and fair view of), the consolidated financial position of the Group as at 31 March 2023, and (of) its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS.

(THE END)