

**Independent Auditors' Report
&
Audited Financial Statements
of
Lankan Alliance Finance Limited**

As at & for the year ended December 31, 2017

Independent Auditors' Report to the Shareholders of Lankan Alliance Finance Limited

We have audited the accompanying financial statements of Lankan Alliance Finance Limited ("the Company") which comprise the balance sheet as at December 31, 2017 and the profit & loss account, statements of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of Company in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in notes, the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements of the Company 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company give a true and fair view of the financial position of the Company as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in notes and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- iii. the balance sheet and profit and loss account of the of the Company together with annexed notes from 1 to 13 and Annexure - A dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditure incurred was for the purposes of the Company's business;
- v. the financial statements of Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;
- vi. the information and explanation required by us have been received and found satisfactory;
- vii. the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory;
- viii. we have reviewed over 80% of the risk weighted assets of the Company, and we have spent around 360 person hours for the audit;
- ix. the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed appropriately;
- x. taxes and other duties collected and deposited to Government Treasury by the Company as per Government instructions found satisfactory;
- xi. all other issues which are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka
February 26, 2018


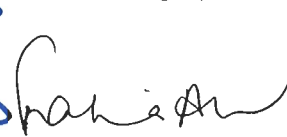


A. Qasem & Co.
Chartered Accountants

Lankan Alliance Finance Limited
Balance Sheet
As at December 31, 2017

	Note	December 31	
		2017 Amount in BDT	2016 Amount in BDT
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	3	25,586	-
Balance with Bangladesh Bank and its agent (including foreign currencies)		-	-
		25,586	-
Balance with other banks and financial institutions			
Inside Bangladesh	4	1,104,746,437	36,513,251
Outside Bangladesh		-	-
		1,104,746,437	36,513,251
Money at call and short notice			
		-	-
Investments			
Government		-	-
Others		-	-
		-	-
Loans and advances			
Loans, cash credit, overdraft etc.		-	-
Bills purchased and discounted		-	-
		-	-
Fixed assets including land, building, furniture and fixtures			
	5	12,053,834	8,512,398
Other assets			
	6	19,946,319	15,276,285
Non-banking assets			
		-	-
Total Assets		1,136,772,177	60,301,934
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents			
		-	-
Deposits and other accounts			
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		-	-
Bearer certificate of deposits		-	-
Other deposits		-	-
		-	-
Other liabilities			
	7	38,242,937	7,271,107
Total Liabilities		38,242,937	7,271,107
Capital/Shareholders' equity			
Paid-up capital	8	1,000,000,000	10,000,000
Share premium		172,200,000	-
Statutory reserves		-	-
General reserves		-	-
Share money pending allotment		-	68,000,000
Retained earnings	9	(73,670,761)	(24,969,173)
		1,098,529,239	53,030,827
Total Equity		1,098,529,239	53,030,827
Total Liabilities and Shareholders' equity		1,136,772,177	60,301,934

	Note	December 31	
		2017	2016
		Amount in BDT	Amount in BDT
PROPERTY AND ASSETS			
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		-	-
		-	-
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Un-drawn note issuance and revolving underwriting facilities		-	-
Un-drawn formal standby facilities, credit lines		-	-
Un-disbursed contracted loans and leases		-	-
		-	-
Total Off-Balance Sheet items including contingent liabilities		-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.


Chairman
 
Director
 
CEO & Managing Director


Company Secretary

Auditors' report to the shareholders, see annexed report of date

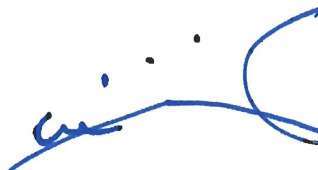
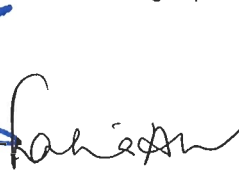

Dated, Dhaka
February 26, 2018


A. Qasem & Co.
Chartered Accountants

Lankan Alliance Finance Limited
Profit and Loss Account
For the year ended December 31, 2017

	Note	December 31	
		2017	2016
Interest income		-	-
Interest on deposits and borrowings etc.		-	-
Net interest income			
Investment income		-	-
Commission, exchange and brokerage	10	27,990	-
Other operating income	11	5,662,821	6,733,557
Total operating income		5,690,811	6,733,557
Salaries and allowances	12	12,815,517	560,000
Rent, taxes, insurance, electricity etc.		12,005,290	3,360,852
Professional charges		2,100,538	460,000
CEO's salary and benefits		1,030,878	-
Directors' fees		101,200	-
Auditors' fees		381,800	34,500
Depreciation and repair of Company's assets		2,105,442	-
Other expenses	13	24,151,110	25,228,541
Total operating expenses		54,691,775	29,643,893
Profit before provisions		(49,000,964)	(22,910,336)
Provision for loans and investments			
General provision		-	-
Specific provision		-	-
Provision for diminution in value of investments		-	-
Other provision		-	-
Total provision		-	-
Total profit before taxation		(49,000,964)	(22,910,336)
Provision for taxation			
Current tax expense		34,145	418,707
Deferred tax expenses/(income)		(333,521)	-
Net profit after taxation		(48,701,588)	(23,329,043)
Appropriations to:			
Statutory reserves		-	-
General reserves		-	-
Dividend etc.		-	-
Retained surplus		-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.

 Chairman
 Director
 CEO & Managing Director

 Company Secretary

Auditors' report to the shareholders, see annexed report of date

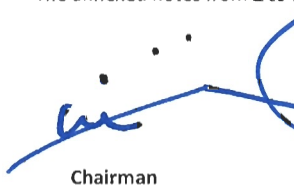
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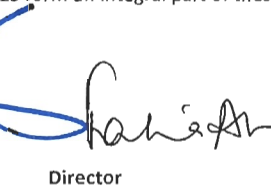

A. Qasem & Co.
Chartered Accountants


Lankan Alliance Finance Limited
Cash Flow Statement
For the year ended December 31, 2017

	December 31	
	2017	2016
A) Cash flows from operating activities		
Interest received	-	-
Interest paid	-	-
Dividend received	-	-
Fees and commission received	-	-
Paid to employees and suppliers	(52,252,812)	(29,643,893)
Payment of income tax	(34,145)	(418,707)
Received from other operating activities	5,690,811	3,942,176
Cash generated from operating activities before changes in operating assets and liabilities	(46,596,146)	(26,120,424)
Increase/(decrease) in operating assets and liabilities		
Lease receivable	-	-
Long-term finance	-	-
Real estate finance	-	-
Car loan	-	-
Personal loan	-	-
Loan against deposit	-	-
Loan to subsidiaries	-	-
Short term finance	-	-
Other assets	(4,670,034)	(14,900,846)
Term and other deposits	-	-
Net drawdown of short term loan	-	-
Payable and accrued expenses	30,971,830	7,256,107
Interest suspense account	-	-
Net cash flows from/(used in) operating activities	(20,294,350)	(33,765,163)
B) Cash flows from investing activities		
Purchase of fixed assets	(5,646,878)	(8,512,398)
Disposal of fixed assets	-	10,000,000
Increase/(Decrease) in inter-company payables	-	-
Net proceeds of Deposits	-	-
Net cash used in investing activities	(5,646,878)	1,487,602
C) Cash flows from financing activities		
Drawdown of term loans	-	-
Repayment of term loans	-	-
Proceeds from share issue	1,094,200,000	-
Share money pending allotment	-	68,000,000
Dividend paid	-	-
Net cash flow from financing activities	1,094,200,000	68,000,000
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	1,068,258,772	35,722,439
E) Effects of exchange rate changes on cash and cash equivalents	-	-
F) Cash and cash equivalents at beginning of the year	36,513,251	790,812
G) Cash and cash equivalents at end of the year (D+E+F)	1,104,772,023	36,513,251
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies) (Note-)	25,586	-
Balance with Bangladesh Bank and its agent bank(s)	-	-
Balance with other banks and financial institutions (Note-4)	1,104,746,437	36,513,251
Money at call and short notice	-	-
	1,104,772,023	36,513,251
Net operating cash flow per share		

The annexed notes from 1 to 13 form an integral part of these financial statements.

 Chairman

 Director

 CEO & Managing Director

 Company Secretary

Lankan Alliance Finance Limited
Statement of Changes in Equity
For the year ended December 31, 2017

Particulars	Paid-up capital Taka	Share premium Taka	Statutory reserves Taka	General reserves Taka	Dividend equalisation reserves Taka	Retained earnings Taka	Total Taka
Balance at January 1, 2017	10,000,000	-	-	-	-	(24,969,173)	(14,969,173)
Dividend for 2016:	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Share Issue	990,000,000	172,200,000	-	-	-	-	1,162,200,000
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,000,000,000	172,200,000	-	-	-	(24,969,173)	1,147,230,827
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	-	-
Net profit for the year 2017	-	-	-	-	-	(48,701,588)	(48,701,588)
Appropriation to reserve	-	-	-	-	-	-	-
Balance at December 31, 2017	1,000,000,000	172,200,000	-	-	-	(73,670,761)	1,098,529,239

Lankan Alliance Finance Limited
Statement of Changes in Equity
For the year ended December 31, 2016

Particulars	Paid-up capital Taka	Share premium Taka	Statutory reserves Taka	General reserves Taka	Dividend equalisation reserves Taka	Retained earnings Taka	Total Taka
Balance at January 1, 2016	10,000,000	-	-	-	-	(1,640,130)	8,359,870
Dividend for 2015:	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	10,000,000	-	-	-	-	(1,640,130)	8,359,870
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss accounts	-	-	-	-	-	-	-
Net profit for the year 2016	-	-	-	-	-	(23,329,043)	(23,329,043)
Appropriation to reserves	-	-	-	-	-	-	-
Balance at December 31, 2016	10,000,000	-	-	-	-	(24,969,173)	(14,969,173)

The annexed notes from 1 to 13 form an integral part of these financial statements.


Chairman


CEO & Managing Director

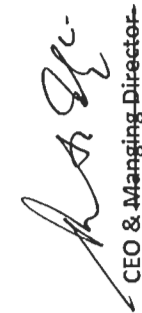

Company Secretary

Lankan Alliance Finance Limited
Liquidity Statement
As at December 31, 2017

Particulars	Not more than 1 month term					1-3 months term					3-12 months term					1-5 years term					Above 5 years term					Total				
	Taka					Taka					Taka					Taka					Taka					Taka				
Assets																														
Cash in hand (including balance with Bangladesh Bank)	25,586																									25,586				
Balance with other banks and financial institutions	564,746,437					540,000,000																				1,104,746,437				
Short term investments																														
Loans & advances																														
Fixed assets including land, building, furniture and fixtures																														
Other assets	1,839,104					12,795,694					333,521					610,000					12,053,834					19,946,319				
Non-banking assets																														
Total assets	566,611,127					552,795,694					333,521					610,000					16,421,834					1,136,772,177				
Liabilities																														
Borrowing from Bangladesh Bank, other banks and financial institutions & its agents																														
Deposits																														
Other accounts																														
Provision and other liabilities	10,128,447					27,613,990															500,500					38,242,937				
Total liabilities	10,128,447					27,613,990					-					-					500,500					38,242,937				
Net Liquidity Gap	556,482,680					525,181,704					333,521					610,000					15,921,334					1,098,529,239				

The annexed notes from 1 to 13 form an integral part of these financial statements.


Chairman


CEO & Managing Director


Company Secretary

Lankan Alliance Finance Limited
Notes to the financial statements
As at and for the year ended December 31, 2017

1. Company and its activities

1.1 Legal status and nature of the Company

Lankan Alliance Finance Limited (The Company "Lankan Alliance Finance Limited") was incorporated in Bangladesh as a Public limited company on September 27, 2003 under the Companies Act, in its earlier name of Alliance Leasing & Finance Company Limited. The Company changed its name in December 2017. The registered office of the company is situated at The Alliance Building, 63 Pragati Sarani, Bharidhara, Dhaka-1212. The Company is registered as a Financial Institution under the Financial Institutions Act, 1993.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are stated at market value in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), except the circumstances where local regulations differ, and the Companies Act, 1994, the Financial Institutions Act, 1993

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

2.2 Basis of measurement

This financial statements have been prepared based on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated December 23, 2009):

- a) Balance Sheet as at December 31, 2017;
- b) Profit and Loss Account for the year ended December 31, 2017;
- c) Statement of Cash Flows for the year ended December 31, 2017;
- d) Statement of Changes in Equity for the year ended December 31, 2017;
- e) Liquidity Statement for the year ended December 31, 2017;
- f) Notes to the Financial Statements for the year ended December 31, 2017.

2.4 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.5 Date of authorisation

The Board of directors has authorised this financial statements on 26.02.2018

2.6 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.7 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, leases and investments
- Gratuity
- Useful life of depreciable assets

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognised in the period in which the estimates are revised. In accordance with the guidelines as prescribed by BAS 37: "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Contingent Liability :

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

Contingent Assets:

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized, rather they are disclosed in the financial statements when they arise.

2.8 Property and equipment

i) Recognition and measurement

Own assets

Items of own fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per Bangladesh Accounting Standard (BAS) 16: "Property, Plant and Equipment".

ii) Subsequent expenditure on Fixed assets

Subsequent expenditure is capitalised only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognised as an expense as and when they are incurred.

iii) Depreciation

Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight-line method in accordance with BAS-16: "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

<u>Particulars of Property, Plant & Equipment</u>	<u>Rates</u>
Furniture and fixtures	20.00%
Office equipment	20.00%
Office decoration	10.00%
ICT Equipment	20.00%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

Depreciation methods, useful lives and residual values, if any are reviewed at the balance sheet date.

2.9 Revenue recognition

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with Bangladesh Accounting Standard (BAS) 18: "Revenue" unless otherwise mentioned or otherwise guided by the separate BAS/BFRS.

2.10 Accounts receivable

Accounts receivable at the balance sheet date is stated at amounts which are considered realisable. Specific allowance is made for receivable considered to be doubtful for recovery.

2.11 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in Bangladesh Accounting Standard (BAS) 7: "Cash Flow Statements", and in accordance with the instruction of Bangladesh Bank.

2.12 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognised as income or expense for the year after netting off.

2.13 Employees' benefit obligation

2.13.1 Defined contribution plan

The Company is in the process of setting up a contributory provident fund scheme for its permanent employees. Provident fund will be administered by a Board of Trustees, funded by equal contributions both by the employees and the Company at a predetermined rate. The contributions will be managed separately from the Company's asset.

2.13.2 Defined benefit plan

The Company also introduced a funded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service.

2.14 Taxation

Tax expense comprises current and deferred tax.

2.14.1 Deferred tax

The Company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12: "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

Deferred tax normally results in a liability being recognized within the Statement of Financial Position. BAS 12 defines a deferred tax liability as being the amount of income tax payable in future periods. Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

2.14.2 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, term deposits and investment in call loan that are readily convertible to a known amount of cash (with less than three months maturity) and that are subject to an insignificant risk of change in value.

2.16 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following bases:

- a) Balances with other bank and financial institutions are on the basis of their maturity term.
- b) Loans, advances and leases are on the basis of their repayment/maturity schedule
- c) Fixed assets are on the basis of their useful lives.
- d) Other assets are on the basis of their adjustment terms.
- e) Borrowings from other banks and financial institutions as per their maturity/repayment terms.
- f) Deposits and other accounts are on the basis of their maturity term and behavioral past trends.
- g) Other long term liabilities are on the basis of their maturity terms.
- h) Other liabilities are on the basis of their settlement terms.

2.17 Status of compliance of Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards

In addition to compliance with local regulatory requirements, in preparing the Financial Statements, LAFL applied following BAS and BFRS:

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied *
Earnings per share	33	N/A
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Status
Share Based payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied
Operating Segments	8	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied

	2017	2016
	Amount In BDT	
3 Cash:		
Cash in Hand	25,586	-
4 Balance with other banks and financial institutions		
Bank Asia Ltd SND-05636000064 (Tejgoan Link Road Branch)	296,882	35,736,546
Bank Asia Ltd SND-61536000010 (Gulshan 2 Branch)	12,813,821	-
Bank Asia Ltd SND-00736000646 (Scotia Branch)	793,076	776,705
Commercial Bank of Ceylon Current A/C No: 1818000829, (Gulshan 2 Branch)	24,425	-
Brac Bank Limited - Deposits	300,000,000	-
Mutual Trust Bank Limited- Deposits	270,000,000	-
Bank Asia Limited - Deposits	200,000,000	-
Dhaka Bank Limited - Deposit	70,000,000	-
Midland Bank Limited SND 0011-10900000463 (Gulshan Branch)	250,818,233	-
	1,104,746,437	36,513,251
5 Property, plant & equipment		
A. Cost		
Opening Balance	8,512,398	8,512,398
Additions	5,646,878	-
	14,159,276	8,512,398
B. Accumulated depreciation		
Opening Balance	-	-
Charged During the year	(2,105,442)	-
	(2,105,442)	-
C. Written down value (A-B)	12,053,834	8,512,398
6 Other assets :		
Intangible assets	-	224,835
Advances and prepayments	9,612,798	5,051,450
Deferred tax	333,521	-
Other receivables	10,000,000	10,000,000
	19,946,319	15,276,285
6.1 Advances and prepayments		
Tax deducted at sources (Note-6.2)	507,992	683,450
Advance for office rent	4,368,000	4,368,000
Advance for house rent	805,000	-
Interest receivable on deposits	3,931,806	-
	9,612,798	5,051,450
6.2 Tax deducted at Source - AIT on interest		
Opening Balance	683,450	92,124
Addition during the year	243,249	591,326
Transfer/Set off FY 2017/18	(418,707)	-
	507,992	683,450

		2017	2016
		Amount In BDT	
7 Other Liabilities			
Payables and accruals	(Note - 7.1)	17,613,990	-
VAT Payable	(Note - 7.2)	3,137,495	470,622
TDS Payable	(Note - 7.3)	1,647,016	1,902,850
Tax payable	(Note - 7.4)	34,145	418,707
Other Accruals and payables	(Note - 7.5)	15,309,791	4,478,928
Gratuity Payable	(Note - 7.6)	500,500	-
		38,242,937	7,271,107
7.1 Payables and accruals			
Payable to People's Leasing & Finance Plc Sri Lanka			
Opening balance		-	-
Addition during the year		17,613,990	-
Settled during the year		-	-
		17,613,990	-
7.2 VAT Payable			
VAT payable on Audit audit & Consultancy fees		32,250	32,250
VAT on Office rent		438,372	438,372
VAT Payable other supplies		2,666,873	-
		3,137,495	470,622
7.3 TDS Payable			
AIT Payable on Salaries		271,090	-
TDS Payable		1,375,926	1,902,850
		1,647,016	1,902,850
7.4 Tax payable			
Opening Balance		418,707	-
Addition during the year		34,145	418,707
Settled during the year		(418,707)	-
Closing Balance		34,145	418,707

	2017	2016
	Amount In BDT	
7.5 Other accruals & Payables		
Audit fee payable	332,000	17,250
Tax consultancy fees payable to S.F. Ahmed & Co	539,800	-
Hotel charges payable to Royal Park	698,506	-
Salaries and Allowance payable	1,642,464	-
Air fare charges payable	251,145	-
Directors Honorarium payable	13,200	-
Payable to Zanala Bangladesh Ltd	101,950	-
PF Payable	200,200	-
Payable to Ranks ITT Ltd	133,491	-
Payable to Optimal	15,950	-
Other accrued expenses	449,836	-
Excise duty payable on deposits	250,000	-
Other Payable - ABC Interiors Ltd.	681,249	2,770,318
Other Payable - Aziz Trade & Engineering Ltd.	-	660,000
Other Payable - Popular Teknowlogies Ltd.	-	199,360
Other Payable - Dreamland Resorts Ltd.	-	832,000
Excess share money deposited	10,000,000	-
	<u>15,309,791</u>	<u>4,478,928</u>
7.6 Gratuity payable		
Opening balance	-	-
Addition during the year	500,500	-
Settled during the year	-	-
	<u>500,500</u>	<u>-</u>
8 Share Capital		
Authorised Capital		
100,000,000 Ordinary shares of Tk 10/= each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up Capital		
100,000,000 Ordinary shares of Tk 10/= each	<u>1,000,000,000</u>	<u>10,000,000</u>

Shareholder	Face Value (BDT)	Total Number of Equity Shares	Percentage of Shareholding on Full Diluted Basis	Consideration paid (BDT) for all shares (excl. premium)
Summit Holdings Limited	10	10,000,000	10%	100,000,000
Concept Knitting Ltd.	10	4,000,000	4%	40,000,000
Green Delta Insurance Company Ltd.	10	10,000,000	10%	100,000,000
Rabab Fashion Industry Ltd.	10	2,000,000	2%	20,000,000
Syed Ali J. Rizvi	10	10,000,000	10%	100,000,000
Sohana Rouf Chowdhury	10	10,000,000	10%	100,000,000
Fahmida Akter Khatun	10	3,000,000	3%	30,000,000
Sub Total		49,000,000	49%	490,000,000
People's Leasing & Finance PLC	10	51,000,000	51%	510,000,000
Grand Total		100,000,000	100%	1,000,000,000

	2017	2016
	Amount In BDT	
9 Retained Earnings		
Opening Balance	(24,969,173)	(1,640,130)
Net profit during the period	(48,701,588)	(23,329,043)
	<u>(73,670,761)</u>	<u>(24,969,173)</u>
10 Commission, exchange and brokerage		
Insurance Commission Income	27,990	-
	<u>27,990</u>	<u>3,459,002,260</u>
11 Other Operating Income		
Interest on Bank deposits	5,662,821	3,942,176
	<u>5,662,821</u>	<u>3,942,176</u>
12 Salaries & allowances		
Basic salary	7,185,093	308,000
Allowances	5,029,824	252,000
PF Contribution	100,100	-
Gratuity	500,500	-
	<u>12,815,517</u>	<u>560,000</u>
13 Other Expenses		
Bank charges	6,498	18,405
Consultancy fees	1,035,000	21,994,900
Office maintenance	1,112,760	2,797,875
Recruiting exp.	714,433	72,261
Travelling exp.	1,086,957	345,100
Other Pre-Operational/maintenance expenses	20,195,462	-
	<u>24,151,110</u>	<u>25,228,541</u>

Lankan Alliance Finance Limited
Schedule of property, plant and equipment
As on 31 December 2017

(Amount in Taka)

Annexure - A

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.17
	Balance as on 01.01.17	Transferred in/Additions	Transferred out/Disposal		Balance as on 01.01.17	Charged during the year	Adjustment during the year	
Office decorations work in progress	8,512,398	-	(8,512,398)	-	-	-	-	-
Office decorations	-	5,487,212	-	10%	-	548,721	-	4,938,491
Furniture	-	2,316,655	-	20%	-	463,331	-	1,853,324
ICT Equipment	-	3,067,486	-	20%	-	456,605	-	2,610,881
Office equipment	-	3,287,923	-	20%	-	636,785	-	2,651,138
Balance as on 31 December 2017	8,512,398	14,159,276	(8,512,398)		-	2,105,442	-	12,053,834
Balance as on 31 December 2016	7,208,619	8,512,398	(7,208,619)		-	-	-	8,512,398