

# **Financial Statements 2022**

A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

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# FINANCIAL STATEMENTS

#### OF

A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

# FOR THE YEAR ENDED

Other Information

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31 MARCH 2023

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MANIEVANNAN & CO Chartered Accountants 126 – 3/3, 3<sup>rd</sup> Floor, Y.M.B.A. Building, Colombo 01

#### MANIEVANNAN & CO Chartered Accountants

## M. I. A. Manievannan ACA, ACMA

126 – 3/3, 3<sup>rd</sup> Floor, Y.M.B.A. Building, Colombo 01, Sri Lanka.. Tel / Fax – 011 2332830

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

#### **Report on the Audit of the Financial Statements**

#### Opinion

We have audited the financial statements of **A V BUSINESS SOLUTIONS (PRIVATE) LIMITED**, which comprise the statement of financial position as at March 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flows for the year in accordance with Sri Lanka Accounting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). 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 Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

Management is responsible for the other information. These financial statement do not comprise other information.

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, 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.

Those charged with governance 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 SLAuSs 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <u>http://slaasc.com/auditing/auditorsresponsibility.php</u>. This description forms part of our auditor's report.

# **Report on Other Legal and Regulatory Requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

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MANIEVANNAN & CO. CHARTERED ACCOUNTANTS Date: 18 September 2023 Colombo.

#### A V BUSINESS SOLUTIONS (PRIVATE) LIMITED Page 3. **INCOME STATEMENT** 31-03-2022 31-03-2023 Rs. NOTE Rs. FOR THE YEAR ENDED 228,448,404 488,262,580 1 Revenue 1.776.281 1,638,377 2 Other Income (169, 239, 935)(211, 489, 294)Administrative Expenses (108,008,989)(64, 543, 190)Marketing Expenses (113, 351, 610)Other Operating Expenses (65, 100, 778)(30,011,500)Finance Expenses (33, 569, 941)(8,049,714)3 Profit /(Loss) before Taxation (1,077,527)4 Income Tax Expenses (33, 569, 941)(9, 127, 241)Net Profit /(Loss) for the Year

The Accounting Policies & Notes on pages 7 to 12 form an integral part of these Financial Statements.

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# A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

## **BALANCE SHEET**

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Page 4

AS AT	NOTE	31-03-2023 Rs.	31-03-2022
ASSETS		KS.	Res.
Non Current Assets			
Property Plant & Equipment	5	32,890,382	4,002,744
Intangible Assets	6	9,423,244	12,564,325
		42,313,626	16,567,069
6			
Current Assets	58.965.650		
Trade & Other Receivables	7	464,141,083	305,444,623
Cash & Cash Equivalents	8	22,398,478	59,856,682
The set of Star March 2023	S1.908.650	486,539,561	365,301,305
Total Assets		528,853,187	381,868,374
EQUITY AND LIABILITIES	· · ·		
Capital & Reserves			
Stated Capital	9	58,968,650	50.000 000
Accumulated Profit / (Loss)		(74,789,797)	58,968,650
			(65,662,557)
		(15,821,147)	(6,693,907)
Nun Current Liabilities			
Long Term Loans & Borrowings	10	204,099,483	204,099,483
Current Liabilities			
Trade & Other Payable	11	\$ 339,497,324	194 462 700
Income Tax Provision		1,077,527	184,462,798
		340,574,851	184,462,798
Total Liabilities		528,853,187	381,868,374

The Accounting policies & Notes on pages 7 to 12 form an integral part of these Financial Statements.

Chief Financial Officer

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007

The Board of Directors is responsible for the preparation of these Financial Statements.

A V Business Solutions (Pvt) Ltd

Director 18th September 2023

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# A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

## STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Accumulated Profit /(Loss) Rs.	Total Rs.
Balance as at 01st April 2021	26,264,780	(32,092,615)	(5,827,835)
Net Profit /(Loss) for the Year	-	(33,569,942)	(33,569,942)
Share Issue	32,703,870	2.004.731	32,703,870
Balance on 31st March 2022	58,968,650	(65,662,557)	(6,693,907)
Net Profit /(Loss) for the Year		(9,127,241)	(9,127,241)
Balance on 31st March 2023	58,968,650	(74,789,797)	(15,821,147)

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Annual and an Assessing Activities

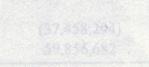
The Intersteen (Decrease) in Cash, Ansh Errindonia The Cash Equivalents at beginning of the year

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Cash in Hand







A V BUSINESS SOLUTIONS (PRIVATE) LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED CASH FLOW FROM OPERATING ACTIVITIES	31-03-2023 Rs.	Page 6
FOR THE YEAR ENDED		Page 6
CASH FLOW FROM OPERATING ACTIVITIES	KS.	31-03-2022 Rs.
Profit /(Loss) before Taxation Depreciation	(8,049,714) 10,054,465	(33,569,941) 6,076,371
Operating Profit before Changes in Working Capital (Increase) / Decrease :In	2,004,751	(27,493,569)
Trade & Other Receivables (Increase) / Decrease ;In	(158,696,460)	(194,943,843)
Trade Other Payables	155,034,527	136,220,265
in the second	(1,657,182)	(86,217,147)
Tax Paid		-
Net Cash from /(used in) Operating Activities	(1,657,182)	(86,217,147)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to Property, Plant & Equipment	(35,801,022)	(1,287,410)
Net Cash from /(used in) Investing Activities	(35,801,022)	(1,287,410)
CASH FLOW FROM FINANCING ACTIVITIES		
Share Issue Loan Received		32,703,870 105,517,418
Net Cash from /(used in) Financing Activities	and a	138,221,288
Net Increase /(Decrease) in Cash & Cash Equivalents Cash & Cash Equivalents at beginning of the year	(37,458,204) 59,856,682	50,716,729 9,139,953
Cash & Cash Equivalents at end of the year	22,398,478	59,856,682

	22,398,478	59,856,682
IEVANNAN 8	22,398,478	- 59,856,682
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#### **A V BUSINESS SOLUTIONS (PRIVATE) LIMITED**

#### ACCOUNTING POLICIES

#### **1. GENERAL**

#### 1.1 Basis of Accounting

The Financial Statements are prepared under the historical cost convention in accordance with generally accepted accounting principles and the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. No adjustments have been made for inflationary factors affecting the accounts.

The Financial Statements have been presented in Sri Lanka Rupees.

#### **1.2** Comparative Information

Figures & Phases relation to the previous year have been re-arranged where necessary to confirm to the current year's presentation.

#### **1.3 Post Balance Sheet Events**

All material events occurring after the Balance Sheet date have been considered and where necessary adjustments to or disclosure have been made in the Financial Statements.

#### 1.4 Taxation

Corporate Income Tax

Income Tax is computed in accordance with the provisions of the Inland Revenue Act No 07 of 2017.

#### 2. ASSETS AND BASES OF THEIR VALUATION

#### 2.1 Property, Plant & Equipment

Property, Plant & Equipment is stated at cost less depreciation.

The cost of property, plant & Equipment is the cost of acquisition together with incidental Expenses thereon.

Depreciation on Property, Plant & Equipment is provided on the straight-line basis over the Estimated useful lives of such assets.

The Principal annual rate of depreciation used is as follows: -

Furniture & Fittings	- 25%
IT Equipment's	- 33%
Office Equipment	- 25%



Depreciation of an asset begins when it is available for use and cease at the earlier of the dates on which the assets is classified as held for sales or derecognized.

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Page 8

#### A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

#### ACCOUNTING POLICIES (CONTD)

#### 2.2 Trade & Other Receivables

Debtors, advances & other receivables are stated at cost.

#### 2.3 Cash & Cash Equivalents

Cash & Cash Equivalents comprise cash balances. For the purpose of cash flow statements, prepared using the indirect method, Cash & Cash equivalents are presented net of Bank Overdrafts.

#### 3. LIABILITIES AND PROVISIONS

#### **3.1 Liabilities**

All known liabilities as at the balance sheet date have been provided in the preparation of the Financial Statements.

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#### 4. INCOME STATEMENT

#### 4.1 Revenue Recognition

Revenue is recognized on accrual basis.

#### 4.2 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the business has been treated as capital expenditure.



MANIEVANNAN & CO
Chartered Accountants

# A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS.		Page 9
NOTE 1 REVENUE	31-03-2023 Rs.	31-03-2022 Rs.
Consulting Fees Service Fees Late Payment Fees	140,756,347 325,485,066 22,021,166	63,129,292 146,717,396 18,601,716
Equipment 0.527 576	488,262,580	228,448,404
NOTE 2 OTHER INCOME		
Interest Income Other Income	1,638,074 303	4,793 1,771,488
THEORY IN THE REAL PROPERTY OF	1,638,377	1,776,281
NOTE 3 PROFIT /(LOSS) FROM OPERATIONS		
Is stated after charging all expenses including	500.510 .	
Staff Salary Depreciation and Amortization Auditors Remuneration	49,073,918 10,054,465 75,000	32,527,633 6,076,371 70,000
NOTE 4 TAXATION		

# On Profit for the Year

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1,077,527

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# NOTES TO THE FINANCIAL STATEMENTS (CONTD).

# NOTE 5 PROPERTY, PLANT & EQUIPMENT

Cost Debuged	As at 01-04-2022 Rs.	Addition Rs.	As*at 31-03-2023 Rs.
Furniture & Fittings	2,432,179	3,566,252	5,998,431
IT Equipment	6,827,576	30,372,666	37,200,242
Office Equipment	296,585	1,862,104	2,158,689
	9,556,340	35,801,022	45,357,362
CASE AND CASE COUTY A	As at 01-04-2022	Charge	As at 31-03-2023
DEPRECIATION	Rs.	Rs.	Rs.
Furniture & Fittings	1,324,750	1,174,903	2,499,652
IT Equipment	4,045,178	5,228,972	9,274,150
Office Equipment	183,668	509,510	693,178
	5,553,596	6,913,384	12,466,980
Written Down Value		As at 31-03-2023 Rs.	As at 31-03-2022 Rs.
Furniture & Fittings	07606	2.12.5.702	
IT Equipment		3,498,779	1,107,429
Office Equipment		27,926,092	2,782,398 112,917
and the second		32,890,382	4,002,744
•			*
NOTE 6 INTANGIBLE ASSETS		31-03-2023 Rs.	31-03-2022 Rs.
Cost		18,846,487	19 946 497
Acc. Amortization		(9,423,243)	18,846,487 (6,282,162)
		9,423,244	12,564,325
		204.8-99.483	



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		MANIEVANNAN & CO Chartered Accountants
A V BUSINESS SOLUTIONS (PRIVATE) LIMITED		Page 12
NOTES TO THE FINANCIAL STATEMENTS (CONTD).		Page 11
NOTE 7 TRADE & OTHER RECEIVABLES	31-03-2023 Rs.	31-03-2022 Rs.
Trade Debtors Provision For Doubtful Debtors Prepayments Advances paid Refundable deposits	498,674,457 (49,867,346) 2,737,420 80,000 8,406,422	311,963,447 (9,240,740) 1,531,500
A I S I T Consulting services	4,110,130	
Differed Tax	- 464,141,083	1,190,416 305,444,623
NOTE 8 CASH AND CASH EQUIVALENTS	278,311,336	171.035
Cash in Hand		
Cargills Bank Plc Bank A/c No. 001952000011 Cargills Bank Plc Bank A/c No. 001103000236 Cargills Bank Plc Bank A/c No. 001952000877	504,010 - -	9,739,711 14,222 900,250
Cargills bank CA 001950000877	12,724,210	-
Commercial Bank A/C No. 1000384886	640,584	5,100,818
HNB A/C No - 039010234589 HNB Bank SA 039020445155	4,984,327	9,824,246
Sampath Bank Plc Bank A/c No. 017510007263	30,295 1,293,174	4,687,515
Sampath Bank Plc Bank A/c No. 017510007205	1,293,174	27,198,568
Sampath Bank Plc Bank A/c No. 017510007666	2,115,702	2,218,500
Sampath Bank Plc Bank A/c No. 017510007654	-	172,852
a second services have affect sinus the Balance Sheet date which a	22,398,478	59,856,682
NOTE 9 STATED CAPITAL		
Ordinary Shares of Capital	58,968,650	58,968,650
NOTE 10 LONG TERM LOANS & BORROWINGS		
Loan From Aldega	164,677,083	164,677,083
Loan From DN Invest	39,422,400	39,422,400
A heatpointion New 17-09-2019	204,099,483	204,099,483
No. 47. Alexandra	Contraction of the second	
Activities & Principle Activates & Money Londing	COLOMBO *	10. 

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<b>A V BUSINESS SOLUTIONS (PRIVATE) LIMITED</b>		Page 12
NOTES TO THE FINANCIAL STATEMENTS (CONTD).		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	31-03-2023	31-03-2022
NOTE 11 TRADE & OTHER PAYABLE	Rs.	Rs.
Customer Overpayments	-	368,860
Accounts Payable-Others	8,068,121	-32.57
AIS Consultancy UAB	3,337,234	
Regula Forenscis Inc	2,274,703	- 10
Trade Payable	11,417,005	11,417,005
Other Payables	75.000	9,398,518
Differed Tax	6.319,324	352,008
AIS IT Consulting services	4,201,428	- 10 C
Juicyscore Holding PTE Ltd	11,385,562	1 - 1 - 1
SEON Technologies Ltd	20,501,935	-
Accrued Expenses	278,311,336	162,926,408
	339,497,324	184,462,798

# NOTE 12 CAPITAL COMMITMENTS

There were no material capital commitments as at 31st March 2023.

## NOTE 13 CONTINGENT LIABILITIES

There are no contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

## NOTE 14 POST BALANCE SHEET EVENTS

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements.

# NOTE 15 RELATED PARTY DISCLOSURE

All the related party transactions have been identified & disclosed in the Financial Statements

#### **NOTE 16 CORPORATE INFORMATION**

Name of the Company	: AV Business Solutions (Private) Limited
Domicile and legal form	: A Limited Liability Company Incorporated in Sri Lanka
Date of Incorporation - New	:17-09-2019 PV 00211145
Registered Office	: No. 47, Alexandra Place, Colombo 07.
Nature of Activities & Principle Activates	
No of Employees as at 31.03.2023	:128 (COLOMBO )*

MANIEVANNAN & CO Chartered Accountants

# **A V BUSINESS SOLUTIONS (PRIVATE) LIMITED**

		Page 13
SCHEDULES.	21 02 2022	21 02 2022
SCILLADMINISTRATIVE EVDENCES	31-03-2023	31-03-2022
SCH 1 ADMINISTRATIVE EXPENSES	Rs.	.Rs.
Staff Salary	49,073,918	32,527,633
EPF The first of Deblock Post 10	5,573,962	3,996,756
ETF	1,157,950	780,111
Staff Welfare	5,105,454	3,722,286
Audit Fees	75,000	70,000
Depreciation	6,913,384	2,935,290
Amortization	3,141,081	3,141,081
IT Maintenance & Infrastructure	15,565,666	98,307,247
Office Maintenance	873,496	263,407
Repair and maintenance	247,600	~ -
Telephone & Internet	18,964,609	4,861,848
Recruitment Expenses	314,610	55,100
Office Rent	18,688,572	7,901,724
Office Utilities	2,370,120	852,391
Printing, Stationery & Postage	436,573	242,082
Traveling & Business Meal	1,103,555	721,417
Foreign travel	3,551,388	
Consultancy DN Invest	41,178,627	
Consultation Fees	7,772,093	720,410
Legal Charges	1,277,684	719,000
Other Consultation Fees	2,957,781	· · ·
Sectaries Fees	39,17, 262	165,967
Bank Charges	7,740,206	3,057,074
Miscellaneous Expenses	60,090	462,865
Incentive	14,261,249	3,736,247
Compensation	2,386,727	
Car rent	480,000	
Donations	10,000	- 1
Subscription	207,900	- 1
	211,489,294	169,239,935

# SCH 2 MARKETING EXPENSES

Internet Marketing Provision For Doubtful Debtors Marketing / Call Centre Expenses Other Marketing Expenses Commission For Collection Social Security Contribut Levy

	9,855,125	11,479,386
	40,626,606	5,974,032
EVANNAN	43,757,979	46,377,174
3	2,557,743	214,150
COLOMBO )	9,523,248	498,449
a a	1,688,287	
Prigreg Accounts	108,008,989	64,543,190

MANIEVANNAN & CO Chartered Accountants

A V BUSINESS SOLUTIONS (PRIVATE) LIMITED		Page 14
SCHEDULES.	31-03-2023 Rs.	31-03-2022 Rs.
SCH 3 OTHER OPERATING EXPENSES		•
Losses From Sale of Debtor's Portfolio	113,351,610	
	113,351,610	
SCH 4 FINANCE EXPENSES		
Interest Expenses	64,261,564 805	28,967,615
Exchange Loss WHT Deffered Tax Expenses	838,409	1,043,886
bounded ran 2. P	65,100,778	30,011,500
SCH 4 ACCRUED EXPENSES Salary EPF	6,694,400 1,466,639	2,213,040
ETF Audit Fees Utility	219,996 135,000 3,774,743	333,911 60,000 663,909
IT Infrastructure Advertising	82,038,892 39,173,462	82,038,892 39,173,462
DN Invest Consultancy payable Loan Interest	41,178,627 84,545,317	35,442,503 853,342
Unidentified Deposits Interest Payable on Investments Incentive	17,306,098 1,649,598	2,147,348
WHT PAYE	24,565 104,000	-
	278,311,336	162,926,408



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A V BUSINESS SOLUTIONS (PRIVATE)	LIMITED		
COMPUTATION OF INCOME FOR TAXA	ATION		Page 15
YEAR OF ASSESSMENT 2022/2023			•
			•
Net Profit / (Loss) as per Accounts			(8,049,714)
Interest Expense		_	(1,638,074)
Add : Disallowable Expenses Depreciation Amortization Provision for Doubtful Debtors	NIN	6,913,384 3,141,081 40,626,606	(9,687,788) 50,681,071
Loss - Allowable Evenences			40,993,283
Less : Allowable Expenses Capital Allowance			(9,071,472)
Losses claimed for the Y/A 2021/2022		an and a second	31,921,810
Losses claimed for the Y/A 2021/2022		-	(29,034,324)
Taxable Income		-	2,887,486
Income Tax - Business Income			4
1 Period	1,443,743	14%	202,124
2 Period	1,443,743	30%	433,123 635,247
		-	033,24
Income Tax - Interest Income			
Interest Income	1,638,074		
1 Period	819,037	24%	196,569
2 Period	819,037	30% —	245,711
Total Taxation Payable		-	442,280
NOTE			WE VANNANS
Losses Brought Forward For The Y/A 2021/202 Losses claimed for the Year	2	29,034,324 (29,034,324) -	COLOMEO *

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