

FINANCIAL STATEMENTS

OF

A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

FOR THE YEAR ENDED

31ST DECEMBER 2024

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

**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 December 31, 2024, 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 December 31, 2024, 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: <http://slaasc.com/auditing/auditorsresponsibility.php>. 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.


MANIEVANNAN & CO.
CHARTERED ACCOUNTANTS
Date: 25th March 2025
Colombo.



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INCOME STATEMENT

FOR THE YEAR ENDED	NOTE	31-12-2024 Rs.	31-12-2023 Rs.
Interest Income	1.1	1,417,886,436.56	964,121,930.30
Interest Expense	2.1	(56,228,881.73)	(57,898,957.44)
		1,361,657,554.83	906,222,972.86
Operational Income	1.2	75,810,799.28	10,098,748.00
		1,437,468,354.11	916,321,720.86
Impairment of Debtors		(249,926,198.28)	(40,626,605.68)
Other Operating Expenses		(5,987,575.35)	(531,173,709.00)
		1,181,554,580.48	344,521,406.18
Other Income	2	45,440,784.85	1,380,688.56
Administrative Expenses		(408,829,560.39)	(362,898,970.46)
Marketing Expenses		(305,934,694.86)	(214,107,918.64)
Other Finance Expenses		(83,243,811.30)	(17,559,498.60)
Profit /(Loss) before Taxation	3	428,987,298.78	(248,664,292.96)
Income Tax Expenses	4	(51,734.00)	(1,077,527.00)
Net Profit /(Loss) for the Year		428,935,564.78	(249,741,819.96)

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



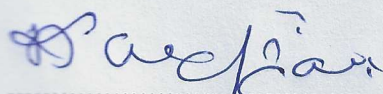
A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

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BALANCE SHEET

AS AT	NOTE	31-12-2024 Rs.	31-12-2023 Rs.
ASSETS			
Cash & Cash Equivalents	5	95,714,798.70	63,758,331.48
Loan Receivable	6	414,281,308.28	356,748,883.87
Other Receivable	7	320,848,459.19	153,075,619.95
Intangible Assets	8	3,926,352.25	7,067,433.25
Property Plant & Equipment	9	24,115,222.57	42,063,204.34
Total Assets		858,886,140.99	622,713,472.89
EQUITY AND LIABILITIES			
Liabilities			
Trade and Other Payable	10	383,876,303.35	476,752,284.16
Long Term Loans & Borrowings	11	174,162,987.00	274,049,902.87
		558,039,290.35	750,802,187.03
Capital and Reserves			
Stated Capital	12	58,968,650.00	58,968,650.00
Retained Earnings / (Losses)		241,878,200.64	(187,057,364.14)
		300,846,850.64	(128,088,714.14)
Total Equity and Liabilities		858,886,140.99	622,713,472.89

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.

AV Business Solutions (Pvt) Ltd

Director

Director

25th March 2025



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STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Accumulated Profit /(Loss) Rs.	Total Rs.
Balance on 31st December 2022	58,968,650.00	62,684,455.82	(6,693,906.58)
Net Profit /(Loss) for the Year	-	(249,741,819.96)	(249,741,819.96)
Balance on 31st December 2023	58,968,650.00	(187,057,364.14)	(128,088,714.14)
Net Profit /(Loss) for the Year		428,935,564.78	428,935,564.78
Balance on 31st December 2024	58,968,650.00	241,878,200.64	300,846,850.64



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CASH FLOW STATEMENT**FOR THE YEAR ENDED****31-12-2024**
Rs.**31-12-2023**
Rs.**CASH FLOW FROM OPERATING ACTIVITIES**

Profit /(Loss) before Taxation	428,987,298.78	(248,664,292.96)
Adjustments For		
Depreciation	21,858,428.17	13,584,526.21
Amortization	3,141,081.00	2,879,324.25
Loss on Disposal of Fixed Assets	5,987,575.35	-
Operating Profit / (Loss) before Changes in Working Capital	459,974,383.30	(232,200,442.50)
(Increase) / Decrease In Loan and Other Receivable	(225,305,263.65)	(5,788,491.53)
(Increase) / Decrease In Trade Other Payables	(92,875,980.81)	219,224,335.45
	141,793,138.84	(18,764,598.58)
Tax Paid	(51,734.00)	(1,077,527.00)
Net Cash from /(used in) Operating Activities	141,741,404.84	(19,842,125.58)

CASH FLOW FROM INVESTING ACTIVITIES

Additions to Property, Plant & Equipment	(14,285,719.75)	(35,107,622.50)
Disposal of Property, Plant & Wquipment	4,387,698.00	-
Net Cash from /(used in) Investing Activities	(9,898,021.75)	(35,107,622.50)

CASH FLOW FROM FINANCING ACTIVITIES

Loan Received/(Repaid)	(99,886,915.87)	69,950,420.00
Net Cash from /(used in) Financing Activities	(99,886,915.87)	69,950,420.00
Net Increase /(Decrease) in Cash & Cash Equivalents	31,956,467.22	15,000,670.92
Cash & Cash Equivalents at beginning of the year	63,758,331.48	48,757,660.56
Cash & Cash Equivalents at end of the year	95,714,798.70	63,758,331.48

ANALYSIS OF CASH & CASH EQUIVALENTS AT END OF THE YEAR

Cash at Bank	95,714,798.70	63,758,331.48
	95,714,798.70	63,758,331.48



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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.

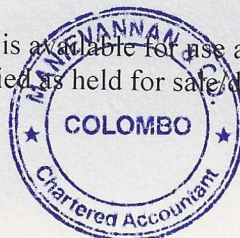
The cost of property, plant & Equipment is the cost of acquisition together with incidental Expenses thereon.

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 ceases at the earlier of the dates on which the assets are classified as held for sale/disposal or derecognized



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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. The cash flow statement is 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.

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.



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NOTES TO THE FINANCIAL STATEMENTS.

	31-12-2024 Rs.	31-12-2023 Rs.
NOTE 1.1 INTEREST INCOME		
Consulting Fees	593,188,254.00	289,237,472.86
Service Fees	824,698,182.56	674,884,457.44
	<u>1,417,886,436.56</u>	<u>964,121,930.30</u>
NOTE 1.2 OPERATIONAL INCOME		
Transaction Fee	68,850,502.00	-
Late Payment Fees	6,960,297.28	10,098,748.00
	<u>75,810,799.28</u>	<u>10,098,748.00</u>
NOTE 2 OTHER INCOME		
Loan Interest Income	45,337,613.20	1,380,385.76
Interest Income - Other	97,891.65	-
Other Income	5,280.00	302.80
	<u>45,440,784.85</u>	<u>1,380,688.56</u>
NOTE 2.1 INTEREST EXPENSE		
Loan Interest	<u>56,228,881.73</u>	<u>57,898,957.44</u>
NOTE 3 PROFIT /(LOSS) FROM OPERATIONS		
Is stated after charging all expenses including		
Staff Salary	132,817,617.85	114,140,701.83
Depreciation and Amortization	21,858,428.17	6,076,371.10
Auditors Remuneration	<u>175,000.00</u>	<u>115,000.00</u>
NOTE 4 TAXATION		
On Profit for the Year	<u>51,734.00</u>	<u>1,077,527.00</u>



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NOTES TO THE FINANCIAL STATEMENTS (CONTD).

NOTE 5 CASH AND CASH EQUIVALENTS

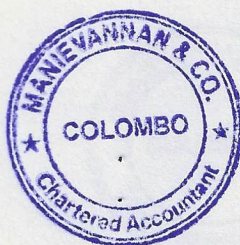
	31-12-2024	31-12-2023
	Rs.	Rs.
Cash in Hand		
Cargills Bank CA No. 001952000011	-	545,265.28
Cargills Bank CA No. 001950000877	-	52,199,187.13
Commercial Bank A/C No. 1000384886	2,469,992.71	(186,404.20)
HNB A/C No - 039010234589	-	848,657.60
HNB Bank SA 039020445155	-	2,096.87
Sampath Bank Plc Bank A/c No. 017510007263	20,561,649.36	5,398,025.61
Sampath Bank Plc Bank A/c No. 017510007555	54,872,888.56	1,087,713.91
Sampath Bank Plc Bank A/c No. 017510007666	2,078,346.70	3,363,789.28
Cargills Bank Fixed Deposit - 001250000696/1	-	500,000.00
Cargills bank CA 001950001157	4,204,144.16	-
Cargills Bank SV 001103000390	508,147.91	-
Cargills Bank CA 001950001190	715,646.27	-
Seylan Bank CA 008013586570001	927,210.75	-
Seylan Bank SA 008013586570123	50,298.36	-
CIT - MegaPay	9,326,473.92	-
	<u>95,714,798.70</u>	<u>63,758,331.48</u>

NOTE 6 LOAN RECEIVABLE

Loan Receivable	714,074,852.24	406,616,229.55
Impairment of Debtors	(299,793,543.96)	(49,867,345.68)
	<u>414,281,308.28</u>	<u>356,748,883.87</u>

NOTE 7 OTHER RECEIVABLE

Prepayments	1,298,720.27	2,476,640.00
Advances paid	4,476,616.12	2,850,000.00
Refundable deposits	14,391,000.00	10,464,398.75
ASIT Consulting services (Pvt) Ltd	287,787,042.80	137,284,581.20
Marx - Fund Disbursement	11,862,080.00	-
Other Receivables	1,033,000.00	-
	<u>320,848,459.19</u>	<u>153,075,619.95</u>



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NOTES TO THE FINANCIAL STATEMENTS (CONTD).

NOTE 8 INTANGIBLE ASSETS

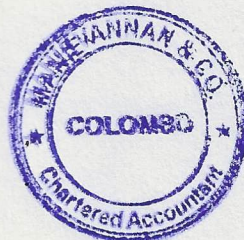
Cost	18,846,486.00	18,846,486.00
Acc. Amortization	(14,920,133.75)	(11,779,052.75)
	<u>3,926,352.25</u>	<u>7,067,433.25</u>

NOTE 9 PROPERTY, PLANT & EQUIPMENT

	As at 01-04-2023 Rs.	Addition Rs.	Disposal Rs.	As at 31-12-2024 Rs.
Furniture & Fittings	6,069,823.46	12,968,216.25	-	19,038,039.71
IT Equipment	58,627,242.57	418,500.00	(19,952,900.00)	39,092,842.57
Office Equipment	2,224,344.00	899,003.50	(723,900.00)	2,399,447.50
	<u>66,921,410.03</u>	<u>14,285,719.75</u>	<u>(20,676,800.00)</u>	<u>60,530,329.78</u>

	As at 01-04-2023 Rs.	Charge Rs.	Disposal Rs.	As at 31-12-2024 Rs.
Furniture & Fittings	3,634,769.97	4,444,708.89	-	8,079,478.86
IT Equipment	20,117,768.62	16,779,459.46	(9,939,576.65)	26,957,651.43
Office Equipment	1,105,667.10	634,259.82	(361,950.00)	1,377,976.92
	<u>24,858,205.69</u>	<u>21,858,428.17</u>	<u>(10,301,526.65)</u>	<u>36,415,107.21</u>

Written Down Value	As at 31-12-2024 Rs.	As at 31-12-2023 Rs.
Furniture & Fittings	10,958,560.85	2,435,053.49
IT Equipment	12,135,191.14	38,509,473.95
Office Equipment	1,021,470.58	1,118,676.90
	<u>24,115,222.57</u>	<u>42,063,204.34</u>



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NOTES TO THE FINANCIAL STATEMENTS (CONTD).

NOTE 10 TRADE & OTHER PAYABLES

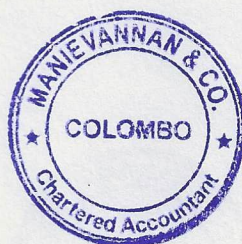
	31-12-2024 Rs.	31-12-2023 Rs.
Accounts Payable - Others	44,767,113.92	44,767,113.92
AIS Consultancy UAB	-	10,705,718.39
Regula Forensics Inc	2,369,876.35	2,369,876.35
Internal and local Invoices	4,749,701.74	-
Trade Payable - Aventus IT LLC	11,417,004.51	11,417,004.51
AIS IT Consulting services	-	-
Juicyscore Holding PTE Ltd	14,256,070.66	14,256,070.66
SEON Technologies Ltd	27,388,851.70	26,826,627.28
Accrued Expenses	278,927,684.47	366,409,873.05
	<u>383,876,303.35</u>	<u>476,752,284.16</u>

NOTE 11 LONG TERM LOANS & BORROWINGS

Loan From Aldega	174,162,987.00	234,627,502.87
Loan From DN Invest	-	39,422,400.00
	<u>174,162,987.00</u>	<u>274,049,902.87</u>

NOTE 12 STATED CAPITAL

Ordinary Shares of Capital	<u>58,968,650.00</u>	<u>58,968,650.00</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTD).**NOTE 13 CAPITAL COMMITMENTS**

There were no material capital commitments as at 31st December 2024.

NOTE 14 CONTINGENT LIABILITIES

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

NOTE 15 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 16 RELATED PARTY DISCLOSURE

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

NOTE 17 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. 344, Galle Road, Colombo 03.
Nature of Activities & Principle Activates	: Money Lending
No of Employees as at 31.12.2024	: 139



A V BUSINESS SOLUTIONS (PRIVATE) LIMITED

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SCHEDULES.

SCH 1 ADMINISTRATIVE EXPENSES

	31-12-2024 Rs.	31-12-2023 Rs.
Staff Salary	132,817,617.85	114,140,701.83
EPF	14,794,742.29	13,802,277.34
ETF	3,736,539.98	3,673,733.62
Staff Welfare	7,961,357.42	6,189,365.24
Audit Fees	175,000.00	115,000.00
Depreciation	21,858,428.17	13,584,526.21
Amortization	3,141,081.00	2,879,324.25
IT Maintenance & Infrastructure	10,467,205.77	26,391,397.50
Office Maintenance	19,764,909.00	1,300,134.88
Repair and maintenance	43,762.00	247,600.00
Telephone & Internet	50,353,800.72	38,120,962.19
Recruitment & Training Expenses	258,064.62	422,940.00
Office Rent	14,223,927.09	9,100,886.51
EXPAT Apartment Rent	6,790,781.65	8,191,685.92
Office Utilities	5,710,371.23	3,736,741.71
EXPAT Apartment Utilities	263,273.00	263,541.29
Printing & Stationery	400,499.00	591,517.05
Postage	-	15,900.00
Traveling & Business Meal	2,685,521.30	490,776.23
Foreign travel	343,840.00	2,426,078.76
Consultancy DN Invest	59,809,151.00	61,860,621.03
Consultation Fees	2,386,250.00	20,203,700.00
Legal Charges	39,000.00	713,804.75
Other Consultation Fees	20,690.00	564,362.00
Sectaries Fees	295,190.29	304,536.01
Incentive	48,006,333.53	31,786,024.94
Compensation	1,488,766.68	-
Car rent	285,000.00	1,300,000.00
Subscription	708,456.80	480,831.20
	<u>408,829,560.39</u>	<u>362,898,970.46</u>

SCH 2 MARKETING EXPENSES

Internet Marketing	245,309,929.54	196,709,258.43
Commission For Collection	49,419,181.27	12,250,429.90
Other Marketing Expenses	13,300.75	10,000.00
Financial VAT Expenses	9,827,370.69	4,315,566.17
Social Security Contribut Levy	1,364,912.61	822,664.14
	<u>305,934,694.86</u>	<u>214,107,918.64</u>



SCHEDULES.

31-12-2024

31-12-2023

Rs.

Rs.

SCH 3 OTHER OPERATING EXPENSES

Losses From Sale of Debtor's Portfolio

-

531,173,709.00

Loss on sale of Fixed Assets

5,987,575.35

-

5,987,575.35

531,173,709.00

SCH 4 FINANCE EXPENSES

Bank Charges

14,992,625.81

11,874,155.25

Exchange (Gain) / Loss

68,251,185.49

(556,302.20)

Interest Expenses

-

5,403,236.55

Deferred Tax Expenses

-

838,409.00

83,243,811.30

17,559,498.60

SCH 4 ACCRUED EXPENSES

Salary

9,678,896.23

9,793.55

EPF

1,987,236.77

2,493,497.44

ETF

298,085.52

374,024.48

Utility

6,409,628.64

7,654,605.02

IT Infrastructure

61,529,169.00

82,038,892.00

Audit Fee

100,000.00

100,000.00

Advertising

36,664,049.33

39,173,462.41

DN Invest Consultancy payable

136,097,150.02

82,138,871.02

Loan Interest

22,024,403.83

123,555,847.37

Interest Payable - DN Invest

-

24,973,243.36

Incentive

3,765,083.50

3,677,969.40

WHT

140,511.63

47,664.00

PAYE

233,470.00

172,003.00

278,927,684.47

366,409,873.05

