Bank Asia

FINANCIAL STATEMENTS 2019

20 years Reaching the Unreached Bank Asia

The Financial Statements are available at www.bankasia-bd.com

Bank Asia Limited Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating segment"

Annex K

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				Inside Bangladesh	Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
Interest income	20,348,415,168	1,348,621,170	1,166,103,247	22,863,139,585	321,231,320	-	-	(210,303,633)	22,974,067,272
Interest paid on deposits and borrowings, etc	12,593,207,586	1,003,503,946	865,669,016	14,462,380,548	212,509,391	-	-	(210,303,633)	14,464,586,306
Net interest income	7,755,207,582	345,117,224	300,434,231	8,400,759,037	108,721,929	-	-	-	8,509,480,966
Investment income	3,261,853,584	31,211,410	-	3,293,064,994	-	-	-	-	3,293,064,994
Commission, exchange and brokerage	3,287,911,074	59,755,482	13,701,570	3,361,368,126	92,693,307	29,652,687	11,796,103	-	3,495,510,223
Other operating income	981,030,586	9,390,895	28,308,974	1,018,730,455	29,775,796	2,661,714	948,684	-	1,052,116,649
Total operating income (A)	15,286,002,826	445,475,011	342,444,775	16,073,922,612	231,191,032	32,314,401	12,744,787	-	7,840,691,866
Salaries and allowances	3,182,390,177	84,059,716	-	3,266,449,893	66,559,270	12,325,604	15,158,285	-	3,360,493,052
Rent, taxes, insurance, electricity, etc	430,008,972	9,826,725	257,549	440,093,246	17,321,041	6,804,596	7,502,418	-	471,721,301
Legal expenses	20,021,946	92,500	420,113	20,534,559	818,600	444,004	421,616	-	22,218,779
Postage, stamp, telecommunication, etc	122,888,552	862,710	720,396	124,471,658	1,579,425	570,892	220,696	-	126,842,671
Stationery, printing, advertisements, etc	155,106,660	1,532,772	50,561	156,689,993	1,234,650	1,357,957	221,243	-	159,503,843
Managing Director's salary and fees	16,572,420	-	-	16,572,420	-	-	-	-	16,572,420
Directors' fees	3,424,000	-	-	3,424,000	302,400	-	-	-	3,726,400
Auditors' fees	1,478,225	-	-	1,478,225	95,833	630,240	1,235,961	-	3,440,259
Depreciation and repairs of Bank's assets	829,342,241	4,733,774	-	834,076,015	4,709,168	2,033,364	1,648,136	-	842,466,683
Other expenses	1,826,261,037	42,724,634	18,682,659	1,887,668,330	11,032,998	6,329,186	9,288,053	-	1,914,318,567
Total operating expenses (B)	6,587,494,230	143,832,831	20,131,278	6,751,458,339	103,653,385	30,495,843	35,696,408	-	6,921,303,975
Profit before provision (C=A-B)	8,698,508,596	301,642,180	322,313,497	9,322,464,273	127,537,647	1,818,558	(22,951,621)	-	9,428,868,857
Provision:									
Provision for loans and advances/investments				5,653,030,046	36,000,000	-	-	-	5,689,030,046
Provision for off-balance sheet items				(196,376,913)	-	-	-	-	(196,376,913)
Provision for diminution in value of investments				(80,000,000)	13,934,688	-	-	-	(66,065,312)
Other provisions				25,000,000	-	-	-	-	25,000,000
Total provision (D)				5,401,653,133	49,934,688	-	-	-	5,451,587,821
Profit before tax provision (E=C-D)				3,920,811,140	77,602,959	1,818,558	(22,951,621)	-	3,977,281,036
Provision for taxation				1,960,000,000	59,469,389	-	-	-	2,019,469,389
Profit after tax provision				1,960,811,140	18,133,570	1,818,558	(22,951,621)	-	1,957,811,647

Bank Asia Limited Segment Reporting

The Bank reports its operations under the following business segments as per Bangladesh Financial Reporting Standards (BFRS) 8 "Operating segment"

Annex K-1

Amount in Taka

Particulars	Bank Asia Limited				Bank Asia Limited and its subsidiaries			Inter company transaction	Consolidated
	Inside Bangladesh				In side Bangladesh	Outside Bangladesh			
	Conventional Banking	Islamic Banking	Off-shore Banking unit	Total	Bank Asia Securities Ltd	BA Exchange Company (UK) Ltd	BA Express USA Inc.		
PROPERTY AND ASSETS									
Cash	22,975,036,168	1,010,655,911	-	23,985,692,079	6,689	905,678	-	-	23,986,604,446
Balance with other banks and financial institutions	22,355,069,443	300,753,880	457,730,481	23,113,553,804	390,202,061	44,673,605	93,624,752	(7,056,652)	23,634,997,570
Money at call and on short notice	4,600,000,000	-	-	4,600,000,000	-	-		-	4,600,000,000
Investments	53,746,745,393	1,049,300,000	136,534,543	54,932,579,936	594,391,990	-	-	-	55,526,971,926
Loans and advances/investments	194,422,286,102	13,304,712,470	19,571,957,476	227,298,956,048	4,649,980,291	-	-	(1,853,724,468)	230,095,211,871
Fixed assets including premises, furniture and fixtures	7,020,717,893	4,884,814	-	7,025,602,707	35,734,740	1,797,251	2,758,533	-	7,065,893,231
Other assets	8,655,493,556	4,139,401,670	49,093,897	12,843,989,123	302,091,372	2,376,043	78,843,426	(2,416,751,730)	10,810,548,234
Non - banking assets	-	-	-	-	-	-	-	-	-
Total assets	313,775,348,555	19,809,708,745	20,215,316,397	353,800,373,697	5,972,407,143	49,752,577	175,226,711	(4,277,532,850)	355,720,227,278
LIABILITIES AND CAPITAL									
Liabilities									
Borrowings from other banks, financial institutions and agents	14,766,258,761	-	19,615,869,735	34,382,128,495	1,853,724,468	-	-	(1,853,724,468)	34,382,128,495
Subordinated Non-Convertible Zero Coupon Bond	11,800,000,000	-	-	11,800,000,000	-	-	-	-	11,800,000,000
Deposits and other accounts	234,548,306,182	18,565,901,089	595,367,344	253,709,574,615	375,008,705	-	-	(7,056,652)	254,077,526,668
Other liabilities	28,051,670,261	1,243,807,656	4,079,318	29,163,552,669	1,704,550,663	92,327,339	217,275,726	(303,712,730)	30,873,993,667
Total liabilities	289,166,235,204	19,809,708,745	20,215,316,397	329,055,255,779	3,933,283,836	92,327,339	217,275,726	(2,164,493,850)	331,133,648,830
Total shareholders' equity	24,745,117,918	-	-	24,745,117,918	2,039,123,307	(42,574,762)	(42,049,015)	(2,113,039,000)	24,586,578,448
Total liabilities and shareholders' equity	313,911,353,120	19,809,708,745	20,215,316,397	353,800,373,697	5,972,407,143	49,752,577	175,226,711	(4,277,532,850)	355,720,227,278

Independent Auditor's Report to the Shareholders of Bank Asia Securities Limited

Annex-L

Opinion

We have audited the accompanying financial statements of Bank Asia Securities Limited which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02-03.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 02-03, 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report, which we could not obtain prior to the date of this auditors' report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) 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 these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dated, Dhaka
19 February 2020

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ACNABIN
Chartered Accountants

Bank Asia Securities Limited Statement of Financial Position

as at 31 December 2019

	31 Dec 2019	31 Dec 2018
Non-Current Assets		
Property, plant and equipment	35,734,740	7,771,251
Demutualization membership of DSE	114,839,239	114,839,239
Total non- current assets	150,573,979	122,610,490
Current Assets		
Advances, deposits and prepayments	17,171,496	3,770,111
Investment in shares at cost	479,552,751	430,164,859
Margin loans	4,649,980,291	4,993,663,846
Accounts receivable	43,575,667	18,259,115
Advance income tax	241,344,210	322,824,373
Deferred tax assets	1,635,140	1,918,965
Cash and cash equivalents	390,208,750	279,371,864
Total current assets	5,823,468,304	6,049,973,133
Total assets	5,974,042,283	6,172,583,623
Equity		
Share capital	2,000,000,000	2,000,000,000
Retained earnings	40,758,447	22,908,701
	2,040,758,447	2,022,908,701
Current Liabilities		
Customer deposits	375,008,705	277,688,606
Loans and borrowings	1,853,724,468	2,120,125,642
Accounts payable	703,187	858,886
Liability for expenses	21,691,177	27,286,911
Interest suspense account	890,799,214	890,799,214
Provision for diminution in value of investments	33,703,549	19,768,861
Provision for client margin loan	554,494,169	518,494,169
Provision for corporate income tax	203,159,368	294,652,633
Total current liabilities	3,933,283,836	4,149,674,921
Total equity and liabilities	5,974,042,283	6,172,583,623

These Financial Statements should be read in conjunction with the annexed notes

Bank Asia Securities Limited Statement of Profit or loss and Other Comprehensive income

for the year ended 31 December 2019

	31 Dec 2019	31 Dec 2018
Brokerage commission	92,693,307	97,015,477
Interest income	321,231,320	313,770,644
Interest expense	(212,509,391)	(217,530,252)
Net interest income	108,721,929	96,240,393
Other operating income/loss	29,775,796	66,480,029
Total operating income	231,191,032	259,735,899
Operating expenses	(103,653,385)	(88,575,869)
Profit before provision	127,537,647	171,160,029
Provision for diminution in value of investments	(13,934,688)	-
Provision for client margin loan	(36,000,000)	(110,000,000)
Profit /(Loss)before tax	77,602,959	61,160,029
Current tax expense	(59,469,389)	(45,930,537)
Deferred tax Income/(expense)	(283,825)	1,918,965
Income tax expense	(59,753,214)	(44,011,572)
Profit/ (Loss) after tax	17,849,745	17,148,458
Other comprehensive income	-	-
Total comprehensive income/(loss)	17,849,745	17,148,458
Earnings per share	0.89	0.86

These Financial Statements should be read in conjunction with the annexed notes

Bank Asia Securities Limited Statement of Cash Flows

for the year ended 31 December 2019

		31 Dec 2019	31 Dec 2018
A.	**Cash flows from operating activities**		
	Cash received from		
	Interest income	321,231,320	221,419,694
	Brokerage commission	92,693,307	96,619,691
	Cash payment for		
	Interest expenses	(212,509,391)	(164,603,698)
	Operating expenses	(104,539,951)	(80,865,373)
	Customers' deposits	97,320,099	20,167,195
	Margin loan to customers	373,459,352	186,742,582
	Other assets	(38,717,936)	25,775,887
	Accounts Payable	(155,699)	(685,068)
	Income tax paid	(69,482,491)	(83,637,133)
	Net cash flows from/ (used in) operating activities	459,298,609	220,933,777
B.	**Cash flows from investing activities**		
	Investment in listed securities	(49,387,892)	16,248,013
	Demutualization membership of DSE	-	38,279,761
	Acquisition of property, plant and equipment	(32,672,657)	(5,369,121)
	Net cash from/ (used in) investing activities	(82,060,549)	49,158,653
C.	**Cash flows from financing activities**		
	Loans and borrowings	(266,401,174)	(326,941,692)
	Net cash (used in)/ from financing activities	(266,401,174)	(326,941,692)
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	110,836,886	(56,849,262)
E.	Opening cash and cash equivalents	279,371,864	336,221,126
F.	**Closing cash and cash equivalents**	390,208,750	279,371,864

These Financial Statements should be read in conjunction with the annexed notes

Bank Asia Securities Limited Statement of Changes in Equity

for the year ended 31 December 2019

Amount in Taka

	Share capital	Share Premium	Retained earnings/ (Accumulated Losses)	Total
Year ended 31 Dec 2018				
Opening balance	2,000,000,000	-	5,760,244	2,005,760,244
Net profit for the year	-	-	17,148,458	17,148,458
Closing balance	2,000,000,000	-	22,908,701	2,022,908,701
Year ended 31 Dec 2019				
Opening balance	2,000,000,000	-	22,908,701	2,022,908,701
Net profit for the year	-	-	17,849,745	17,849,745
Closing balance	2,000,000,000	-	40,758,447	2,040,758,447

These Financial Statements should be read in conjunction with the annexed notes

Bank Asia Securities Limited Notes to the Financial Statements

as at and for the year ended 31 December 2019

1. **Reporting entity**

Bank Asia Securities Limited ("the Company"), a majority owned subsidiary company of Bank Asia Limited was incorporated as a private limited company in Bangladesh on 04 August 2010 bearing certificate of incorporation no. C-86230/10 dated 04 August 2010 under the Companies Act 1994 having its registered office at Hadi Mansion (7th Floor), 2 Dilkusha Commercial Area, Dhaka 1000.

The Company obtained permission from Bangladesh Securities and Exchange Commission on 16 March 2011 to operate as a full fledged stock broker and stock dealer bearing registration nos. Reg/3.1/DSE-237/2011/463 and Reg/3.1/DSE-237/2011/464 respectively.

The main objective of the Company is to act as a full fledged stock broker and stock dealer to execute buy and sell orders and to maintain own portfolio as well as customers portfolio under the discretion of customers. The Company also performs the other activities relates to capital market as and when regulators permits the company to carry out activities as per their guidelines.

2. **Basis of preparation**

2.1 Statement of compliance

The financial statements of the Company are prepared on a going concern basis under historical cost conversion in accordance following International Financial Reporting Standards (IFRSs)/International Accounting Standards (IASs), The Companies Act-1994, and other laws and rules applicable in Bangladesh. Wherever appropriate, such principles are explained in succeeding notes.

2.2 Components of the financial statements

The financial statements referred to here comprise:
a) Statement of Financial Position;
b) Statement of Profit or loss and Other Comprehensive income;
c) Statement of Cash Flows;
d) Statement of Changes in Equity; and
e) Notes to the Financial Statements.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimate is revised and in any future periods affected

Key estimates include the following:
* Property, Plant and Equipment
* Provision on margin loan and Investment in shares
* Deffered Tax Asset/Liabiilities

2.4 Statement of cash flows Statement of Cash Flows has been prepared as per International Accounting Standard IAS-7 under direct method. The Cash Flow Statement shows the structure of and changes in cash and cash equivalents during the year. Cash Flows during the year have been classified as operating activities, investing activities and financing activities.

2.5 Reporting period

These financial statements cover one calendar year from 1 January 2019 to 31 December 2019.

2.6 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 19 February, 2020.

2.7 Functional and presentational currency

The financial statements are presented in Bangladesh Taka, which is the Company's functional currency.

2.8 Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.9 Going concern

The Company has adequate resources to continue its operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

2.10 Investment in securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend incomes which are reported at fair value. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment as per BSEC guideline.

2.11 Provision, Contingent asset and contingent liabilities

As per IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" the Bank Asia Securities Limited recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognised because:
* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
* the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of
resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

2.12 Taxation Current tax

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred Tax

Deferred Tax is calculated as per International Accounting Standard IAS-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount 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. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.

Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

2.13 Branch Details

The Company has a total five number of Branch offices, Two Extension Office (excluding Head Office), with no overseas branch as on December 31, 2019.

Accounts of the branches are maintained at the head offices which are included in the accompanying financial statements.

3. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

3.1 Revenue Recognition

In terms of provision of IFRS-15 on revenue and disclosures in the financial statements of the company the following items have been recognized as mentioned.

Brokerage commission

Income from brokerage is recognised on daily basis in the Statement of Comprehensive Income after receiving the trading note of securities transacted from Dhaka Stock Exchange Limited, at which point performance is assured to be completed.

Interest Income from margin loan

Interest on loans and advances is calculated on daily product basis, but charged and accounted for on quarterly basis except negative equity clients where interest is recognized based on effective interest rate which is estimated recoverable amount as per IFRS-9.

Dividend income and profit/ (loss) on sale of marketable securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.2 Interest paid and other expenses

In terms of the provisions of IAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

3.3 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding at 31 December 2019 as per International Accounting Standard IAS-33 "Earnings Per Share".

3.4 Property, plant and equipment

Items of property, plant and equipment, are measured at cost less accumulated depreciation and impairment losses, as per IAS-16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of day-to-day servicing items of property, plant and equipment are expensed when incurred.

Depreciation

Depreciation is charged on straight-line method. Charging depreciation against fixed assets commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed.

3.5 Intangible assets

Computer software

Computer software acquired by the Company which have finite useful lives are measured at cost less accumulated amortisation.

Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss.

Amortisation of intangible assets

Computer software are amortised @ 20% per annum in a straight-line method.