

**bKash Limited**

Auditor's report and financial statements as at and  
for the year ended 31 December 2018



## Rahman Rahman Huq

### Chartered Accountants

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## Independent auditor's report

To the Shareholders of bKash Limited

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### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of bKash Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and 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 a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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 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 judgment 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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 explanation which to the best of our knowledge and belief were necessary for the purpose 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 those books; and
- 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.


  
**Rahman Rahman Huq**

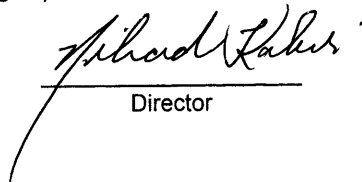
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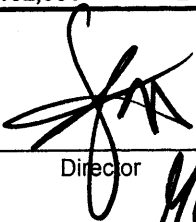
**bKash Limited**  
**Statement of financial position**


<i>In Taka</i>	<i>Note</i>	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Assets</b>			
Property, plant and equipment	6	1,155,963,250	767,571,771
Intangible assets	7	684,505,279	463,632,762
<b>Non-current assets</b>		<b>1,840,468,529</b>	<b>1,231,204,533</b>
Operational and other receivables	8	965,103,088	426,953,282
Advances, deposits and prepayments	9	526,366,646	232,336,222
Contract assets	10	301,787,164	-
Advance income tax	11	847,710,297	537,833,294
Airtime balance	12	1,259,965,976	1,163,143,640
Trust cum settlement account and investments	13	27,689,567,048	21,986,269,408
Investment in fixed deposits	14	9,204,200,000	2,121,800,000
Cash and cash equivalents	15	260,934,183	186,243,340
<b>Current assets</b>		<b>41,055,634,402</b>	<b>26,654,579,186</b>
<b>Total assets</b>		<b>42,896,102,931</b>	<b>27,885,783,719</b>
<b>Equity</b>			
Ordinary shares	16	38,194,900	38,194,900
Share premium - ordinary shares		1,286,205,568	1,286,205,568
<b>Ordinary share capital and premium</b>		<b>1,324,400,468</b>	<b>1,324,400,468</b>
Preference shares	17	8,796,300	4,097,000
Share premium - preference shares	18	8,286,915,782	847,412,828
<b>Preference share capital and premium</b>		<b>8,295,712,082</b>	<b>851,509,828</b>
Capital reserve	19	18,479,529	-
Share money deposit	20	505,162	505,162
Retained earnings		1,069,682,559	903,366,797
<b>Total equity</b>		<b>10,708,779,800</b>	<b>3,079,782,255</b>
<b>Liabilities</b>			
Deferred tax liabilities	21	1,587,238	35,986,265
Other non-current liabilities	25	7,145,802	7,145,802
Finance lease liabilities	26	33,308,961	40,774,231
<b>Non-current liabilities</b>		<b>42,042,001</b>	<b>83,906,298</b>
Defined benefit plan - gratuity	22	90,183,748	44,515,670
Customer and other deposits	23	27,488,565,715	21,663,937,199
Operational and other payables	24	1,182,220,350	1,023,172,770
Finance lease liabilities	26	22,297,603	17,376,926
Grant funds	27	12,872,051	43,544,365
Accrued expenses	28	2,364,981,679	1,312,214,254
Provision for tax	29	984,159,984	617,333,982
<b>Current liabilities</b>		<b>32,145,281,130</b>	<b>24,722,095,166</b>
<b>Total liabilities</b>		<b>32,187,323,131</b>	<b>24,806,001,464</b>
<b>Total equity and liabilities</b>		<b>42,896,102,931</b>	<b>27,885,783,719</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

  
Chief Executive Officer

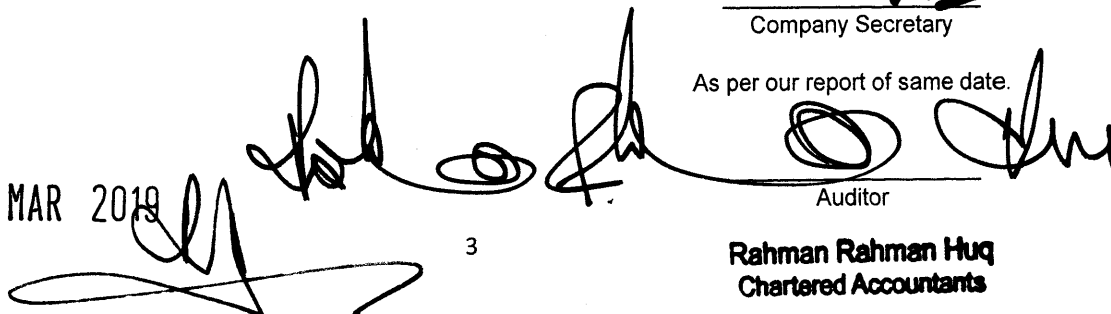
  
Director

  
Director

  
Company Secretary

As per our report of same date.

Dhaka, 14 MAR 2019

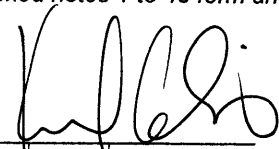
  
Auditor

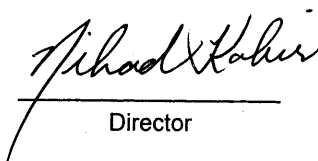
**Rahman Rahman Huq**  
Chartered Accountants

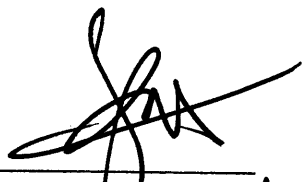
**bKash Limited**  
**Statement of profit or loss and other comprehensive income**


<i>In Taka</i>	Note	For the year ended	
		31 December 2018	31 December 2017
Gross revenue		21,791,312,387	17,589,548,312
VAT		(2,519,174,076)	(2,074,019,100)
<b>Revenue</b>	30	<b>19,272,138,311</b>	<b>15,515,529,212</b>
Cost of services	31	(14,042,389,523)	(11,407,289,613)
<b>Gross profit</b>		<b>5,229,748,788</b>	<b>4,108,239,599</b>
Operating and administrative expenses	32	(3,235,571,949)	(2,331,072,890)
Marketing and promotional expenses	33	(1,862,041,570)	(1,074,627,157)
<b>Operating profit</b>		<b>132,135,269</b>	<b>702,539,552</b>
Net finance income	34	455,733,379	127,779,785
<b>Profit before contribution to WPPF</b>		<b>587,868,648</b>	<b>830,319,337</b>
Contribution to WPPF		(29,393,432)	(39,539,016)
<b>Profit before tax</b>		<b>558,475,216</b>	<b>790,780,321</b>
Income tax expenses	35	(354,017,425)	(302,962,605)
<b>Profit</b>		<b>204,457,791</b>	<b>487,817,716</b>
<b>Other comprehensive income/(expense)</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit plan		(30,250,000)	-
Related tax		10,587,500	-
		(19,662,500)	-
<b>Total comprehensive income</b>		<b>184,795,291</b>	<b>487,817,716</b>

The annexed notes 1 to 43 form an integral part of these financial statements.

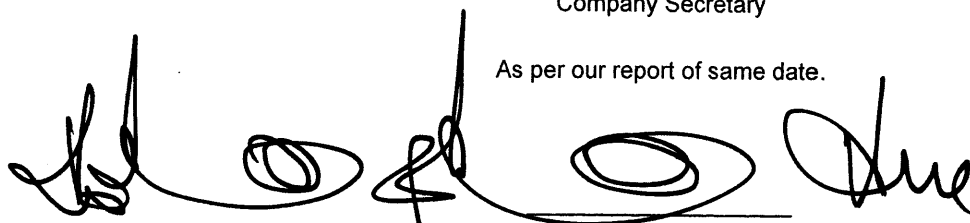
  
 Chief Executive Officer

  
 Director

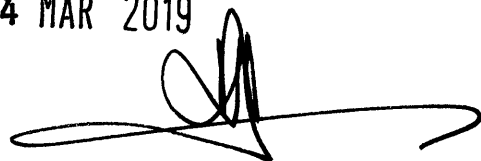
  
 Director

  
 Company Secretary

As per our report of same date.

  
 Auditor

Dhaka, 14 MAR 2019



**Rahman Rahman Huq**  
 Chartered Accountants

**bKash Limited**  
**Statement of changes in equity**

<i>In Taka</i>	For the year ended 31 December 2018							
	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	Share money deposit	Retained earnings	Total equity
Balance at 1 January 2018	38,194,900	1,286,205,568	4,097,000	847,412,828	-	505,162	903,366,797	3,079,782,255
<b>Transactions with owners of the Company</b>								
<b>Contributions and distributions</b>								
Issue of preference share - net of issue cost	-	-	4,699,300	7,439,502,954	-	-	-	7,444,202,254
<b>Total comprehensive income</b>								
Profit for the year	-	-	-	-	-	-	184,795,291	184,795,291
Transfer to capital reserve	-	-	-	-	18,479,529	-	(18,479,529)	-
<b>Total</b>	-	-	4,699,300	7,439,502,954	18,479,529	-	166,315,762	7,628,997,545
Balance at 31 December 2018	38,194,900	1,286,205,568	8,796,300	8,286,915,782	18,479,529	505,162	1,069,682,559	10,708,779,800

<i>In Taka</i>	For the year ended 31 December 2017							
	Ordinary shares	Share premium - ordinary shares	Preference shares	Share premium - preference shares	Capital reserve	Share money deposit	Retained earnings	Total equity
Balance at 1 January 2017	38,194,900	1,286,205,568	4,097,000	847,412,828	-	505,162	415,549,081	2,591,964,539
<b>Total comprehensive income</b>								
Profit for the year	-	-	-	-	-	-	487,817,716	487,817,716
<b>Total</b>	-	-	-	-	-	-	487,817,716	487,817,716
Balance at 31 December 2017	38,194,900	1,286,205,568	4,097,000	847,412,828	-	505,162	903,366,797	3,079,782,255

The annexed notes 1 to 43 form an integral part of these financial statements.



**bKash Limited**  
**Statement of cash flows**

<i>In Taka</i>	<b>For the year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
<b>Cash flows from operating activities</b>		
Cash receipt from customers	27,293,111,582	21,821,480,425
Cash paid to suppliers, employees and others	(18,682,702,900)	(14,244,943,781)
<b>Cash generated from operating activities</b>	<b>8,610,408,682</b>	<b>7,576,536,644</b>
Interest received from deposits	255,540,508	108,826,709
Taxes paid to government exchequer	(2,797,729,772)	(2,232,797,324)
<b>Net cash flows from operating activities</b>	<b>6,068,219,418</b>	<b>5,452,566,029</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(360,169,994)	(340,049,941)
Acquisition of intangible assets	(274,073,586)	(231,887,831)
Investment in fixed deposits	(7,082,400,000)	(501,800,000)
<b>Net cash used in investing activities</b>	<b>(7,716,643,580)</b>	<b>(1,073,737,772)</b>
<b>Cash flows from financing activities</b>		
Finance lease liabilities	(17,789,609)	(12,466,600)
Net proceeds from issue of preference shares	7,444,202,254	-
<b>Net cash from/(used in) financing activities</b>	<b>7,426,412,645</b>	<b>(12,466,600)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,777,988,483</b>	<b>4,366,361,657</b>
Cash and cash equivalents including trust cum settlement account and investments as at 1 January	22,172,512,748	17,806,151,091
<b>Cash and cash equivalents including trust cum settlement account and investments as at 31 December</b>	<b>27,950,501,231</b>	<b>22,172,512,748</b>
<b>Less: Trust cum settlement account and investments</b>	<b>27,689,567,048</b>	<b>21,986,269,408</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>260,934,183</b>	<b>186,243,340</b>

*The annexed notes 1 to 43 form an integral part of these financial statements.*



## Notes to the financial statements

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### 1 Reporting entity

#### 1.1 Company profile

bKash Limited (hereinafter referred to as "the Company"), a subsidiary of BRAC Bank Limited, started as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. It was incorporated as a private company limited by shares under the Companies Act, 1994 on 1 March 2010 having its registered office in Dhaka. Subsequently, International Finance Corporation (IFC) (by subscribing for fresh ordinary shares in April 2013) and Alipay Singapore E-Commerce Private Limited ("Alipay") (by purchasing ordinary shares from existing shareholders in April 2018) became equity partners of the Company. Apart from the above, the Bill & Melinda Gates Foundation and Alipay hold non-voting preference shares in the Company.

The Company has an authorised share capital of Tk. 500,000,000 divided into 4,900,000 ordinary shares of Tk. 100 each and 100,000 preference shares of Tk. 100 each.

#### 1.2 Nature of business

bKash provides different financial services via mobile phones to its customers under a Payment Services Provider (PSP) license issued by Bangladesh Bank. The ultimate objective of the Company is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low income masses of the country in order to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

### 2 Basis of accounting

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and as per the requirements of the Companies Act, 1994.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS titles and format gives a better presentation to its intended users.

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and the presentation currency of the Company.

Details of the Company's accounting policies are included in Note 42.

#### 2.2 Date of authorisation

These financial statements have been authorised for issue by the Board of Directors of the Company on

14 MAR 2019

### 3 Reporting period

The financial statements of the Company covers the year from 1 January to 31 December and it is followed consistently.

### 4 Use of estimates and judgments

In preparing these financial statements, management has made 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. Revision to estimates are recognised prospectively.





## Notes to the financial statements (Continued)

### a. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Notes 26 and 42M Finance lease liabilities

### b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2018 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Notes 6 and 42F	Property, plant and equipment
Notes 7 and 42G	Intangible assets
Notes 22 and 42C(iii)	Defined benefit plan - gratuity
Notes 21 and 42E(ii)	Deferred tax assets/(liabilities)
Notes 29 and 42E(i)	Provision for tax
Notes 37, 38 and 42O	Commitments and contingencies
Notes 10 and 42A	Contract assets

## 5 Changes in significant accounting policies

The Company has applied IFRS 15 Revenue from Contracts with Customers from 1 January 2018. Apart from this, Bangladesh Mobile Financial Services Regulations, 2018 also came into effect during this year with certain specific directions over business operation. Accordingly, the Company has reviewed all existing streams of revenue/income in light of above changes and reclassified income generated from trust cum settlement account balances as revenue. Other new standards that are also effective from 1 January 2018 do not have a material impact on these financial statements.

### IFRS 15 Revenue from Contracts with Customers

#### Nature and effect of changes

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard supersedes all revenue related requirements under IFRS. Under IFRS 15, either a full retrospective application or a modified retrospective application of the standard is required for annual periods beginning on or after 1 January 2018.

Adoption of IFRS 15 does not have any significant impact in recognition of revenue for the Company. However, recognition of contract assets/(liabilities) and contract cost under IFRS 15 is significantly different from previous standards.

Retrospective application of IFRS 15 for recognition of contract assets and amortisation or impairment of the same is impracticable for the Company on following grounds:

- Relevant information of incremental costs for qualifying contracts was not recorded in a manner suitable for IFRS 15 implementation in prior periods and it is impracticable to retrieve the same.
- Due to frequent changes in relevant regulatory framework and volatile nature of the business, the expected contract period for different services had changed over earlier periods and it is impracticable to reproduce management expectation at different points in time.

Accordingly, the standard has been applied prospectively with effect from 1 January 2018. Impact of IFRS 15 on the financial statements is summarised below:

<i>In Taka</i>	2018
Contract assets	301,787,164
Operating and administrative expenses	(26,162,036)
Marketing and promotional expenses	(275,625,128)

The Company followed IAS 18 Revenue in prior periods.



## Notes to the financial statements (Continued)

### 6 Property, plant and equipment

See accounting policy in Note 42F

#### Reconciliation of carrying amount

<i>In Taka</i>	Note	IT equipment	Laptop & computer	Motor vehicles	Motor vehicles - leased	Office furniture	Office equipment	Leasehold improvements	Work in progress	Total
<b>Cost</b>										
Balance at 1 January 2017		390,045,072	83,745,632	2,000,000	31,137,444	43,255,005	39,268,971	78,278,447	276,113,531	943,844,102
Additions		73,378,890	21,059,728	-	50,511,159	13,665,552	10,750,938	3,811,828	75,015,384	248,193,479
Reclassification		-	-	-	-	-	-	-	(35,155,647)	(35,155,647)
Write-off/ disposals/ adjustments		(2,552,265)	(13,572,782)	-	-	(1,091,879)	(213,956)	-	-	(17,430,882)
Transfer from work in progress		86,058,763	-	-	-	-	6,148,014	18,270,864	(110,477,641)	-
<b>Balance at 31 December 2017</b>		<b>546,930,460</b>	<b>91,232,578</b>	<b>2,000,000</b>	<b>81,648,603</b>	<b>55,828,678</b>	<b>55,953,967</b>	<b>100,361,139</b>	<b>205,495,627</b>	<b>1,139,451,052</b>
Balance at 1 January 2018		546,930,460	91,232,578	2,000,000	81,648,603	55,828,678	55,953,967	100,361,139	205,495,627	1,139,451,052
Additions		29,744,766	22,681,159	-	15,840,535	4,726,099	2,319,517	1,202,954	516,917,965	593,432,995
Reclassification		-	-	-	-	-	-	-	1,827,000	1,827,000
Write-off/ disposals/ adjustments		(1,429,415)	(16,556,307)	-	-	(1,255,167)	(291,818)	(178,080)	-	(19,710,787)
Transfer from work in progress		237,754,612	-	-	-	-	-	-	(237,754,612)	-
<b>Balance at 31 December 2018</b>		<b>813,000,423</b>	<b>97,357,430</b>	<b>2,000,000</b>	<b>97,489,138</b>	<b>59,299,610</b>	<b>57,981,666</b>	<b>101,386,013</b>	<b>486,485,980</b>	<b>1,715,000,260</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2017		139,437,232	52,105,944	1,999,999	3,130,833	7,299,245	14,768,193	16,765,536	-	235,506,982
Depreciation	32.2	87,212,934	21,263,367	-	12,724,249	4,737,593	9,210,633	16,970,262	-	152,119,038
Write-off/ disposals/ adjustments		(1,816,275)	(13,435,099)	-	-	(371,769)	(123,596)	-	-	(15,746,739)
<b>Balance at 31 December 2017</b>		<b>224,833,891</b>	<b>59,934,212</b>	<b>1,999,999</b>	<b>15,855,082</b>	<b>11,665,069</b>	<b>23,855,230</b>	<b>33,735,798</b>	<b>-</b>	<b>371,879,281</b>
Balance at 1 January 2018		224,833,891	59,934,212	1,999,999	15,855,082	11,665,069	23,855,230	33,735,798	-	371,879,281
Depreciation	32.2	124,308,285	19,274,452	-	16,930,669	14,613,918	10,010,804	20,086,343	-	205,224,471
Write-off/ disposals/ adjustments		(468,378)	(16,290,018)	-	-	(1,018,503)	(218,611)	(71,232)	-	(18,066,742)
<b>Balance at 31 December 2018</b>		<b>348,673,798</b>	<b>62,918,646</b>	<b>1,999,999</b>	<b>32,785,751</b>	<b>25,260,484</b>	<b>33,647,423</b>	<b>53,750,909</b>	<b>-</b>	<b>559,037,010</b>
<b>Carrying amounts</b>										
At 31 December 2017		322,096,569	31,298,366	1	65,793,521	44,163,609	32,098,737	66,625,341	205,495,627	767,571,771
<b>At 31 December 2018</b>		<b>464,326,625</b>	<b>34,438,784</b>	<b>1</b>	<b>64,703,387</b>	<b>34,039,126</b>	<b>24,334,243</b>	<b>47,635,104</b>	<b>486,485,980</b>	<b>1,155,963,250</b>



## Notes to the financial statements (Continued)

### 7 Intangible assets

See accounting policy in Note 42G

#### Reconciliation of carrying amount

<i>In Taka</i>	<i>Note</i>	<i>Software</i>	<i>Work in progress</i>	<i>Total</i>
<b>Cost</b>				
Balance at 1 January 2017		469,940,955	10,285,078	480,226,033
Additions		101,138,998	168,134,782	269,273,780
Reclassification		-	35,155,647	35,155,647
Write-off/ disposals/ adjustments		(110,516,999)	-	(110,516,999)
Transfer from work in progress		46,903,441	(46,903,441)	-
<b>Balance at 31 December 2017</b>		<b>507,466,395</b>	<b>166,672,066</b>	<b>674,138,461</b>
<b>Balance at 1 January 2018</b>				
Additions		144,681,321	219,300,255	363,981,576
Reclassification		-	(1,827,000)	(1,827,000)
Write-off/ disposals/ adjustments		(8,730,948)	-	(8,730,948)
Transfer from work in progress		248,517,750	(248,517,750)	-
<b>Balance at 31 December 2018</b>		<b>891,934,518</b>	<b>135,627,571</b>	<b>1,027,562,089</b>
<b>Accumulated amortisation</b>				
Balance at 1 January 2017		210,772,318	-	210,772,318
Amortisation	32.2	110,250,380	-	110,250,380
Write-off/ disposals/ adjustments		(110,516,999)	-	(110,516,999)
<b>Balance at 31 December 2017</b>		<b>210,505,699</b>	<b>-</b>	<b>210,505,699</b>
<b>Balance at 1 January 2018</b>				
Amortisation	32.2	139,634,495	-	139,634,495
Write-off/ disposals/ adjustments		(7,083,384)	-	(7,083,384)
<b>Balance at 31 December 2018</b>		<b>343,056,810</b>	<b>-</b>	<b>343,056,810</b>
<b>Carrying amounts</b>				
At 31 December 2017		296,960,696	166,672,066	463,632,762
<b>At 31 December 2018</b>		<b>548,877,708</b>	<b>135,627,571</b>	<b>684,505,279</b>



## Notes to the financial statements (Continued)

### 8 Operational and other receivables

See accounting policy in Note 42H

<i>In Taka</i>	2018	2017
<b>Operational receivables</b>		
Related party	17,985,377	30,538,209
Other than related parties	702,978,553	352,468,786
	720,963,930	383,006,995
Less: Provision for doubtful debts	-	-
	720,963,930	383,006,995
<b>Other receivables</b>		
Accrued interest on deposits	244,139,158	43,946,287
	965,103,088	426,953,282

### 9 Advances, deposits and prepayments

See accounting policy in Note 42H

<i>In Taka</i>	Note	2018	2017
<b>Advances</b>			
Employees		24,388,156	5,836,286
Suppliers		308,946,833	15,261,377
Office rent		39,365,174	89,206,274
VAT current account		535,654	724,932
		373,235,817	111,028,869
<b>Deposits</b>			
Rent		7,139,880	5,416,600
		7,139,880	5,416,600
<b>Prepayments</b>			
Expenses		60,124,358	48,751,171
Deferred commission	9.1	85,866,591	67,139,582
		145,990,949	115,890,753
		526,366,646	232,336,222

9.1 Deferred commission represents commission paid to agents for performing cash in transactions for which revenue will be generated in the next financial period(s).

### 10 Contract assets

See accounting policy in Note 42A

<i>In Taka</i>	2018	2017
Balance at 1 January	-	-
Addition during the year	348,823,477	-
Charged off during the year	(47,036,313)	-
<b>Balance at 31 December</b>	<b>301,787,164</b>	<b>-</b>

The contract assets represent unamortised customer acquisition costs in the form of commissions and other directly attributable costs e.g. National ID verification, Know Your Customer (KYC) data entry etc.

### 11 Advance income tax

See accounting policy in Note 42E

<i>In Taka</i>	2018	2017
Balance at 1 January	537,833,294	366,946,533
Deposits including deductions at source	320,879,953	170,886,761
Charged off during this year	(11,002,950)	-
<b>Balance at 31 December</b>	<b>847,710,297</b>	<b>537,833,294</b>

### 12 Airtime balance

Airtime balance represents unsold amount of mobile airtime purchased from different Mobile Network Operators (MNOs) and airtime proceeds in transit. Airtime balance is recorded at face value and has no expiry date. Airtime proceeds in transit represents e-money in the process of being realised in the form of cash against sold airtime.

