

Ansar Financial and Development Corporation


Consolidated Interim Financial Statements
(presented in Canadian dollars)
(Unaudited)

For the nine months ended December 31, 2019

The accompanying unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2019 have not been reviewed by the company's auditor.

Ansar Financial and Development Corporation
Consolidated Statements of Financial Position
(Presented in Canadian dollars)

As at	December 31, 2019		September 30, 2019		March 31, 2019
Assets					
Current					
Cash	\$	1,138,215	\$	1,100,800	\$ 1,140,477
Receivable		27,362		37,278	7,041
Investments		2,600		2,600	2,600
Inventory -Land		14,056,432		14,056,432	14,056,432
Commercial Condo Unit- Net		1,274,000		1,274,000	1,274,000
	\$	16,498,609	\$	16,471,110	\$ 16,480,550
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$	10,273	\$	10,600	\$ 37,183
		10,273		10,600	37,183
Shareholders' Equity					
Share capital		15,226,239		15,226,239	15,226,239
Retained earnings (deficit)		147,367		126,648	116,874
Equity attributable to the shareholders		15,373,606		15,352,887	15,343,113
Non-controlling interest		1,114,730		1,107,623	1,100,254
		16,488,336		16,460,510	16,443,367
	\$	16,498,609	\$	16,471,110	\$ 16,480,550

Approved by the Board 
Pervez Nasim
Director


Mohammed Jalaluddin
Director

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

Ansar Financial and Development Corporation
Consolidated Interim Statements of Changes in Equity
(Presented in Canadian dollars)

	Share Capital	Retained Earnings (Deficit)	Sub Total	Non-Controlling Interest	Total
Balance March 31, 2019	15,226,239	\$ 116,874	\$ 15,343,113	\$ 1,100,254	\$ 16,443,367
Total Comprehensive Loss for the period	\$ -	\$ 9,774	\$ 9,774	\$ 7,369	\$ 17,143
Balance September 30, 2019	15,226,239	\$ 126,648	\$ 15,352,887	\$ 1,107,623	\$ 16,460,510
Total Comprehensive Loss for the period	\$ -	\$ 20,719	\$ 20,719	\$ 7,107	\$ 27,826
Balance December 31, 2019	\$ 15,226,239	\$ 147,367	\$ 15,373,606	\$ 1,114,730	\$ 16,488,336
Balance March 31, 2018	15,226,239	\$ 106,651	\$ 15,310,676	\$ 866,766	\$ 16,199,656
Total Comprehensive Loss for the period	\$ -	\$ 6,816	\$ 6,816	\$ 4,576	\$ 11,392
Increase of non-controlling interest	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000
Balance September 30, 2018	15,226,239	\$ 113,467	\$ 15,317,492	\$ 1,096,342	\$ 16,436,048
Total Comprehensive Loss for the period	\$ -	\$ 33,880	\$ 33,880	\$ 6,922	\$ 40,802
Balance December 31, 2018	\$ 15,226,239	\$ 147,347	\$ 15,351,372	\$ 1,103,264	\$ 16,476,850

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

Ansar Financial and Development Corporation
Consolidated Statements of Operations and Comprehensive Earnings
(Unaudited - Presented in Canadian dollars)

	For the three months ended December 31, 2019 (Unaudited)	For the three months ended December 31, 2018 (Unaudited)	For the nine months ended December 31, 2019 (Unaudited)	For the nine months ended December 31, 2018 (Unaudited)
Revenue				
Miscellaneous	41,786	53,516	92,101	97,771
	41,786	53,516	92,101	97,771
Expenses				
Insurance		-	5,652	5,652
Office and general	1,779	3,781	1,923	3,909
Professional fees		-	990	2,903
Property taxes		-	1,979	1,985
Transfer and filing fees	5,278	2,026	15,879	10,407
Salaries and wages	6,903	6,907	20,709	20,721
	13,960	12,714	47,132	45,577
Earnings before the undernoted items and income tax	27,826	40,802	44,969	52,194
Net and comprehensive earnings for the period	\$ 27,826	\$ 40,802	\$ 44,969	\$ 52,194
Income attributable to:				
Owners of the Company	\$ 20,719	\$ 33,880	\$ 30,494	\$ 40,695
Non-controlling interest	\$ 7,107	\$ 6,922	\$ 14,475	\$ 11,499
	\$ 27,826	\$ 40,802	\$ 44,969	\$ 52,194
Income per share				
Basic and diluted income per share	\$ 0.0013	\$ 0.0022	\$ 0.0020	\$ 0.0026
Weighted average number of common share outstanding				
Basic and diluted	15,491,164	15,491,164	15,491,164	15,491,164

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements

Ansar Financial and Development Corporation
Consolidated Statement of Cash Flows
(Presented in Canadian dollars)

For the nine months ended December 31	2019	2018
Operating activities		
Net Income/(loss) for the period	\$ 44,969	52,194
Net changes in non cash working capital		
Other receivable	\$ (20,321)	\$ (8,339)
Accounts payables and accrued liabilities	(26,910)	(39,056)
		-
Cash (used in) provided by operating activities	(2,262)	4,799
Investment activity		
Increase in Investment	-	(200)
Purchase of Investment property	-	(1,300,000)
Purchase of additional non-controlling interest	-	225,000
	-	(1,075,200)
Net decrease in Cash	(2,262)	(1,070,401)
Cash, beginning of the period	1,140,477	2,188,822
Cash, end of the period	\$ 1,138,215	\$ 1,118,421

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

1. NATURE OF OPERATIONS

Ansar Financial and Development Corporation (the "Company") was incorporated in Ontario on January 29, 2008. The Company was formed to acquire properties for sale in their current form or for potential development and subsequent sale dependent upon market conditions.

The Company also intends to purchase and develop, if practical, additional real property. The purpose of the Company is to provide investors with an opportunity to generate income through investments that comply with Sharia Law as it relates to finance.

The Company's principal place of business is 1825 Markham Road, Suite 209 Toronto, ON, M1B 4Z9. Effective March 13, 2015, the Company is listed on the Canadian Securities Exchange. The Company's trading symbol is "AFD."

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2019. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2020 could result in restatement of these unaudited condensed interim financial statements.

The consolidated financial statements were approved and authorized for issue by the board of directors on February 26, 2020.

Basis of Preparation

The consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its subsidiary.

The consolidated financial statements are prepared on the historical cost basis except that financial instruments classified as fair value through profit or loss are stated at their fair value.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its 83%-owned subsidiary (2018 – 83%), A Fin Investments Ltd. ("A Fin"). During 2019, A Fin issued 1,100,000 shares that were purchased by the Company and 225,000 shares were purchased by a third party. This had no effect on the ownership percentage held by the company. During 2018, the Company acquired shares from the other owner (see Note 11). The Company controls A Fin by way of control of the entity's board of directors. A Fin was incorporated in the province of Alberta on March 24, 2010. A Fin's principal place of business is 1825 Markham Road, Suite 105, Toronto, ON, M1B 4Z9. All significant intercompany accounts and transactions have been eliminated. Subsidiaries are consolidated from the date that control commences until it ceases.

Below is a summary of financial information about A Fin:

	December 31,	March 31,
	2019	2019
Investment properties and deposit	\$ 6,300,000	\$ 6,300,000
Other assets	\$ 295,479	\$ 231,908
Liabilities	\$ 10,778	\$ 26,957

	December 31,	December
	2019	31,
		2018
Revenue	\$ 86,501	\$ 70,171
Net and comprehensive earnings (loss)	\$ 85,147	\$ 67,639

Non-controlling Interest

Non-controlling interest represent equity interests in a subsidiary owned by outside parties. The share of net assets of the subsidiary attributable to non-controlling interests are presented as a component of equity. Their share of net income and comprehensive earnings is recognized directly in equity. Changes in the parent company's ownership interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions made by management in the preparation of the financial statements relate to recognition of deferred income taxes, impairment of investments and impairment of investment properties. The Company's most significant judgment is used in determining control over its investment in A Fin. Actual results could differ from these estimates and judgments.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates and Judgments (Cont'd)

Accordingly, the Company's measurements are based upon management's best estimates using existing knowledge, which reflect the Company's planned courses of action and probable economic conditions; however, it is possible that actual events may be different from those anticipated. Accordingly, such differences could impact the carrying values of assets as well as future results of operations and cash flows.

Investment Properties

Investment properties comprise land held for a currently undetermined future use and a commercial condo unit. Investment property is mainly held for capital appreciation and not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment properties are tested for impairment when there is an indication of impairment. Land held for a currently undetermined future use is not amortized. The commercial condo unit is amortized using a 4% declining method.

Earnings per Share (EPS)

Basic earnings per share amounts are calculated by dividing net earnings for the year attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net earnings attributable to common shareholders by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into common shares. In the event of a stock dividend EPS is calculated on a retrospective basis.

Financial Instruments

Accounting policy under IFRS 9 applicable from April 1, 2018

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value," as either FVPL or FVOCI, and "financial assets at amortized costs," as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified cash and receivables at amortized cost.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsequent measurement – Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of operations. The Company's investments are classified as financial assets at FVPL.

Subsequent measurement – Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of operations when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities includes accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Accounting policy under IAS 39 applicable prior to April 1, 2018

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with any resultant gain or loss being recognized directly in other comprehensive earnings. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available-for-sale financial assets are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in profit or loss. Financial assets classified as loans and receivables and held to maturity, are measured at amortized cost using the effective interest rate method.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are recognized initially at fair value plus directly attributable transaction costs, except for transaction costs on financial liabilities classified as FVTPL which are expensed as incurred. Financial liabilities are classified as other financial liabilities or FVTPL, and are subsequently measured at amortized cost using the effective interest rate method.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2019 and 2018.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after April 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The Company adopted IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers*, which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted these standards retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at April 1, 2018. There were no effects on opening balances at April 1, 2018 with respect to the adoption of these policies.

IFRS 9, *Financial Instruments*

IFRS 9 replaces International Accounting Standard (“IAS”) 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	Under IFRS 9
Financial assets		
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Investments	Available for sale	FVPL
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended March 31, 2018 was accounted for in accordance with the Company's previous accounting policy under IAS 39. Significant accounting policies which outline the current and previous accounting policies pertaining to financial instruments.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") addresses how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The Company has adopted this standard effective April 1, 2018. As the Company currently isn't earning revenue through contracts with customers, there was no impact to the financial statements upon adoption of this standard.

4. INVESTMENT PROPERTIES (LAND)

	Bighill Property (a)	Strathmore-3b Property (b)	Cochrane Property (c)	Strathmore Property (d)	Total
Balance, Dec, 31, 2019	\$ 2,302,144	\$ 3,602,144	\$ 3,152,144	\$ 5,000,000	\$14,056,432
Balance, March 31, 2019	\$ 2,302,144	\$ 3,602,144	\$ 3,152,144	\$ 5,000,000	\$14,056,432

The properties were acquired from companies under common control. These transactions were in the normal course of business at their fair value, as determined by valuations by independent valuers.

Ansar Financial and Development Corporation

Notes to unaudited Consolidated interim Financial Statements

For the nine months ended December 31, 2019

(presented in Canadian dollars)

4. INVESTMENT PROPERTIES (LAND)

Investment properties are comprised of undeveloped plots of rural land which are being held for future development. Fair value of the investment properties cannot be reliably determined because comparable market transactions are infrequent and alternative reliable estimates of fair value, such as cash flow projections are not available. Cash flow projections cannot be made as the future use of land is not known and the Company is not currently generating revenue from the investment properties.

(a) The Bighill property consists of 149.29 acres and is located four and one-half miles north of the City of Calgary, in the Municipal District of Rocky View No. 44, in the Province of Alberta.

(b) The Strathmore-3b property consists of 160 acres in a rural Alberta location between Chestermere and Strathmore.

(c) The Cochrane property has a land size of 157.28 acres and is located in the Municipal District of Rocky View County No. 44, in the Province of Alberta.

(d) The Strathmore property consists of 185.9 acres and is located in the Wheatland County, in the Province of Alberta.

5. INVESTMENT PROPERTY (COMMERCIAL CONDO UNIT)

Costs

	Total
Balance, March 31, 2019	\$ 1,300,000
Balance, December 31, 2019	\$ 1,300,000

Accumulated depreciation

	Total
Balance, March 31, 2019	\$ 26,000
Balance, December 31, 2019	\$ 26,000

Net book value

	Total
Balance, March 31, 2019	\$ 1,274,000
Balance, December 31, 2019	\$ 1,274,000

The Commercial Condo Unit is approximately 2,700 square feet in a commercial plaza in Calgary. This unit is leased to a therapy center for five years for an annual net rent of \$89,430.