
**Auditors' Report
and
Audited Financial Statements
of
BRAC EPL Investments Limited**

For the year ended 31 December 2019

A. QASEM & Co.

Chartered Accountants

Since 1953

INDEPENDENT AUDITORS' REPORT**To the Shareholders of BRAC EPL Investments Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of BRAC EPL Investments Limited (the Company), 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 present fairly, in all material respects, 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).

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 and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report of its parent BRAC Bank Limited is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover other information and we do 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 when it becomes available 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.

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

Management is responsible for the preparation and fair presentation of the financial statements 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.

Auditors' 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 auditors' 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 consolidated and separate 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.

We communicate with those charged with governance, 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 and the Securities and Exchange Commission Rules, 1987, we also report the following:

- (i) 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;
- (ii) 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;
- (iii) The Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- (iv) The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
11 March 2020



A. Qasem & Co.
Chartered Accountants

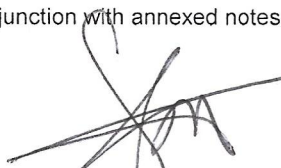
BRAC EPL Investments Limited
Statement of Financial Position
As at 31 December 2019

	Notes	31 December 2019 BDT	31 December 2018 BDT
Assets			
Non-current assets			
Property, plant and equipment	5	6,479,779	8,572,250
Intangible assets	6	516,232	299,779
Right of use Asset	7	4,723,270	-
Investment in associate company	8	-	15,676,040
Deferred tax assets	9	286,439,604	282,156,146
		298,158,885	306,704,215
Current assets			
Account receivables	10	15,674,420	27,928,847
Inter-company receivables	11	136,066	21,022
Other receivables		15,293,703	10,376,907
Investment in quoted securities	12	895,166,869	1,142,452,451
Advance income tax	13	25,114,710	18,608,816
Loans and advances to customers	14	1,693,628,668	1,703,219,146
Accrued interest and management fees receivable	15	313,879,136	332,702,889
Advances, deposits and prepayments	16	2,351,054	5,688,435
Cash and cash equivalents	17	11,015,740	14,054,573
		2,972,260,366	3,255,053,086
Total assets		3,270,419,251	3,561,757,301
Equity and Liabilities			
Shareholders' equity			
Share capital	18	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(2,276,111,075)	(1,907,652,764)
Shareholders' equity		745,714,876	1,114,173,187
Non-current liabilities			
Lease Liability		1,709,241	-
Current liabilities			
Customer deposits	19	84,854,573	94,838,032
Bank overdrafts	20	798,405,356	799,265,809
Short term loan	21	540,000,000	470,000,000
Account payables	22	6,787,284	9,716,578
Other liabilities	23	1,085,008,627	1,069,765,582
Provision for taxation	24	3,453,356	2,970,757
Lease Liability		3,392,023	-
Inter-company payable	25	1,093,915	1,027,356
		2,522,995,134	2,447,584,114
Total equity and liabilities		3,270,419,251	3,561,757,301

Footnotes:

1. Auditors' report - Page 1-3.
2. These financial statements should be read in conjunction with annexed notes 1 to 36.


Chief Executive Officer


Director


Chairman

Dated, Dhaka
11 March 2020




A. Qasem & Co.
Chartered Accountants

BRAC EPL Investments Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 BDT	2018 BDT
Revenue			
Interest income from margin loan		15,806,366	73,782,773
Interest expenses	26	(136,604,943)	(115,227,974)
Net interest income (A)		(120,798,577)	(41,445,201)
Fee and commission income	27	21,117,085	39,261,163
Fee and commission expenses	28	(6,126,189)	(8,406,656)
Net fee and commission income (B)		14,990,896	30,854,507
(Loss)/gain from investment in securities	29	(230,223,374)	(173,099,069)
Other operating income/(loss)	30	30,022,483	27,083,036
Net (loss)/gain from investment in securities (C)		(200,200,891)	(146,016,033)
Total operating income/(loss) (A+B+C)		(306,008,571)	(156,606,727)
Operating expenses	31	(43,093,350)	(56,637,885)
Depreciation & amortization	5	(2,355,409)	(2,413,190)
Depreciation for Right of use assets	7	(9,017,503)	-
Operating profit/(loss) (D)		(360,474,832)	(215,657,802)
Finance income		72,997	113,116
Financial expenses	32	(482,517)	(547,790)
Net finance income (E)		(409,520)	(434,674)
Share of profit of equity in associate company (F)		1,496,879	149,364
Profit/(loss) before provisions (D+E+F+G)		(359,387,472)	(215,943,112)
Provision for loans and advances	23.1	-	-
Provision for account receivables	23.2	(12,871,697)	-
Loss before tax		(372,259,169)	(215,943,112)
Prior year taxes	33	-	1,006,500
Current year taxes	33	482,599	898,113
Deferred tax (income)/expense	33	(4,283,458)	491,405
Tax (income)/expenses		(3,800,859)	2,396,018
Loss after tax		(368,458,311)	(218,339,130)
Other comprehensive Income		-	-
Total loss		(368,458,311)	(218,339,130)

Footnotes:


1. Auditors' report - Page 1-3.
2. These financial statements should be read in conjunction with annexed notes 1 to 36.



Chief Executive Officer



Director



Chairman





A. Qasem & Co.
Chartered Accountants

Dated, Dhaka
11 March 2020

BRAC EPL Investments Limited
Statement of Cash Flows
For the year ended 31 December 2019

	2019 BDT	2018 BDT
A. Operating activities		
Net profit before tax	(372,259,169)	(215,943,112)
<i>Add: Items not involving in movement of cash:</i>		
Depreciation on property, plant and equipment	2,092,471	2,295,885
Amortization of intangible asset	262,938	117,305
Gain on disposal of property, plant and equipment	(24,000)	(2,842,200)
Depreciation of Right-of-use assets	9,017,503	-
Fair value adjustments for fall in values of investment in securities	248,567,074	192,772,006
Share of profit of equity in associate company	(1,496,879)	(149,364)
	258,419,106	192,193,632
Income tax paid	(6,505,894)	(4,866,806)
Operating (loss)/profit before changes in working capital	(120,345,957)	(28,616,285)
Changes in working capital :		
(Increase)/decrease in loan and advances to customers	9,590,478	19,167,075
(Increase)/decrease in accrued interest and mgt. fees receivable	18,823,754	(19,285,872)
(Increase)/decrease in account receivables	12,254,427	(11,400,812)
(Increase)/decrease in advance, deposits and prepayments	3,337,381	1,491,860
(Increase)/decrease in inter-company receivable	(115,044)	2,080,328
(Increase)/decrease in other receivables	(4,916,796)	(7,130,592)
Increase/(decrease) in customer deposits	(9,983,459)	(248,353,728)
Increase/(decrease) in account payables	(2,929,294)	(22,217,826)
Increase/(decrease) in inter-company payable	66,559	31,805
Increase/(decrease) in other liabilities	15,008,434	(9,281,307)
Increase/(decrease) in lease liability	5,101,264	-
	46,237,704	(294,899,069)
Net cash (used)/from operating activities (A)	(74,108,253)	(323,515,354)
B. Cash flows from Investing activities:		
Acquisition of property, plant and equipment	(244,781)	(4,081,850)
Disposal of property, plant and equipment	24,000	2,842,200
Striking off Brac Asset Management	17,172,920	-
Sale/(purchase) of investment securities	(1,281,492)	20,939,849
Inclusion of Right of Used Asset	(13,740,773)	-
Net cash used in investing activities (B)	1,929,873	19,700,199
C. Cash flows from Financing activities		
Receipt/(repayment) of bank overdraft	(860,453)	27,147,834
Receipt/(repayment) of short term loans	70,000,000	250,000,000
Net cash from/(used) in financing activities (C)	69,139,547	277,147,834
Net decrease in cash and cash equivalents (A+B+C)	(3,038,832)	(26,667,321)
Cash and cash equivalents at the beginning of the year	14,054,572	40,721,893
Cash and cash equivalents at the end of the year	11,015,740	14,054,572


Chief Executive Officer


Director


Chairman

Dated, Dhaka
11 March 2020





A. Qasem & Co.
Chartered Accountants

BRAC EPL Investments Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	Amount in Taka			
	Share capital	Share premium	Retained earnings	Total
Balance as on 1st January 2018	2,585,000,000	436,825,951	(1,689,313,634)	1,332,512,317
Total comprehensive income for the year 2018	-	-	(218,339,130)	(218,339,130)
Balance as on 31 December 2018	2,585,000,000	436,825,951	(1,907,652,764)	1,114,173,187
Total comprehensive income for the year 2019	-	-	(368,458,311)	(368,458,311)
Balance as on 31 December 2019	2,585,000,000	436,825,951	(2,276,111,075)	745,714,876


Chief Executive Officer


Director


Chairman

Dated, Dhaka
11 March 2020


A. Qasem & Co.
Chartered Accountants



BRAC EPL Investments Limited
Notes to the financial statements
For the year ended 31 December 2019

1.0 Background and legal status

BRAC EPL Investments Limited (hereinafter referred to as "the Company" or BEIL) was incorporated in Bangladesh on 18 April 2000 as a private limited company under the Companies Act 1994 initially in the name of Equity Partners Limited, the name of which was changed to BRAC EPL Investments Limited on 4 October 2009. BRAC Bank Limited acquired 51% of its equity in August 2009 and a further 25% in May 2011. In 30 June 2016 BRAC Bank Limited subscribed 200 million shares further to increase BEIL's paid up capital. BRAC Bank Limited currently holding 99.95% of shares of BEIL's total subscribed shares. On 11 February 2010 a new Merchant Banker Registration Certificate was issued in favour of BRAC EPL Investments Limited which allows the organization to perform the various activities including issue management, underwriting and portfolio management. The company was converted to a public limited company on 4 November 2012. The registered office of the Company is located at Concord Baksh Tower, 8 th floor, Plot 11/A, Road-48, Kamal Atartuk Avenue, Gulshan-2. Dhaka-1212.

1.1 Nature of business

BEIL delivers a whole range of investment banking services including traditional merchant banking activities such as issue management, underwriting and portfolio management. The Company also delivers value-added services such as wealth management, corporate advisory and corporate finance.

2.0 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements of the Company have been prepared on going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, Securities & Exchange Commission Ordinance-1969, Securities & Exchange Commission Act 1993, Depository (User) Regulation-2003 and other applicable laws and regulations.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments in quoted shares which have been measured at "Marked to Market" in accordance with IFRS 9: *Financial Instruments*.

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.

2.4 Going concern basis of accounting

The accompanying financial statements have been prepared on a going concern assumptions that the company will continue in operation for foreseeable future. Based on management forecast and consideration of capital market trend, the board of directors of BEIL find sufficient grounds for company's continuing operations.

3.0 Summary of significant accounting policies

3.1 Financial assets and liabilities

Recognition

The Company initially recognizes loans and advances and deposits on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.



Identification and measurement of impairment

At each financial position date the Company assesses whether there is an objective evidence that financial assets not carried at fair value through profit and loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower and a significant downturn in the active market for a security.

Impairment losses on financial assets are measured as the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows of that asset. Losses are recognized in statement of comprehensive income and reflected as an allowances against loans and advances.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through statement of comprehensive income.

3.2 Recognition of property, plant and equipment (PPE)

The cost of an item of property, plant and equipment is recognized as an assets if and only if is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

3.3 Depreciation of property, plant and equipment (PPE)

The company uses straight line method for charging depreciation. Full month depreciation is charged on additions irrespective of date of its acquisition whereas no depreciation is charged in the month of disposal. The rates of depreciation on various classes of property, plant and equipment are as under:

<u>Name of the assets</u>	<u>Rates</u>
Furniture and fixtures	10%-20%
Office floor space	5%
Motor vehicles	20%
Leasehold improvement	15%
IT equipment	25%-
Office equipment	10%-20%
Software	33.33%

3.4 Intangible assets

These represent cost of software and have been stated at cost as reduced by accumulated depreciation. Computer software acquired by the company which have finite useful life are measured at cost less accumulated depreciation. Depreciation is provided on software at the rate of 33.33% using the straight line method.

3.5 Leases

The Company has applied IFRS 16 using the **modified retrospective approach** and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

-- the Company has the right to operate the asset; or

-- the Company designed the asset in a way that predetermines how and for what purpose it will be used.



This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

The Company recognises a right-of-use asset and a lease liability (for its warehouses and factory facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position (see (B)).

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

Under IAS 17

The Company has no finance lease.

In the comparative period, assets held under operating leases were not recognised in the Company's statement of financial position. The Company recognised operating lease expense on a straight-line basis over the term of the lease and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.



ii. As a lessor

There is no such lease for which the Company is a lessor.

B. As a lessee

The Company has lease contracts related to the rental agreement of various branches for which financial statement impact are as follows:

Impact on financial Statements

Lease Right of Used Asset	4,723,266
Lease Liability	5,101,264
Deprciation	9,017,501
Interest Expense	1,009,172

When measuring lease liabilities, The company discounted lease payments using its incremental borrowing rate (11%) at 1 January 2019.

3.6 Investments

The Company holds investment securities which are both actively traded in a quoted market and those which are unquoted.

(a) Fair value through profit or loss

Investments in shares which are actively traded on a quoted market are designated at fair value through statement of comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of comprehensive income.

(b) Fair value through other comprehensive income

Investments in shares which are not actively traded on a quoted market are designated as fair value through OCI. Since their fair values cannot be reliably measured, these are held at cost.

3.7 Taxation

The Company current tax has been calculated on the basis of the Finance Act 2019.

3.8 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value and subsequently measured at amortized cost.

3.9 Customer deposits

Customer deposits consist of funds provided by customers which have not yet been used to invest in securities. These are initially measured at fair value and subsequently measured at amortized cost.

3.10 Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10.1 Income in suspense

Income from loans and advances is moved to suspense account when reasonable doubt is established over its recoverability.



3.11 Revenue recognition

3.11.1 Interest income

Interest income is recognized in the statement of comprehensive income using the effective interest method. Interest is accrued on a daily basis and applied to customer's account every quarter.

Interest income on negative equity accounts is recognised on the basis of expected recovery in the normal course of business.

3.11.2 Fee and commission income

Fees and commission income are recognized at the later of when the corresponding service is provided and when management feel that all necessary procedures in connection with such activity is completed.

3.11.3 Investment in associates

Investment in associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 25% to 50% of the voting power of another entity.

3.11.4 Dividend income

Dividend income is recognized when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities.

3.11.5 Finance income

Finance income comprises of interest income on fixed deposits and savings accounts. Interest income is recognized as it accrues, using the effective interest method.

4.0 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- ** Credit risk
- ** Liquidity risk
- ** Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Settlement Risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of losses due to failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.



4.3 Liquidity Risk

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

Under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Board.

4.4 Market Risk

A key market risk for the Company is the volatility in price movements of traded securities. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company is subject to various market risks, including risks from interest and currency exchange rates.

4.4.1 Interest Rate Risk

The Company relies heavily on borrowed funds from the money markets to fund its margin loans. Any hikes in interest rates in the money markets will increase its cost of funds and reduce the interest rate spread that the Company earns on its margin loans.

Interest rate risks are primarily managed through monitoring of interest rate gaps and re-pricing of products in the Management Committee which is the monitoring body for such strategies and is assisted by Treasury on a day-to-day basis.

4.5 Capital Management

The Company's objective when managing capital is to maintain a capital structure that provides a balance between the risk associated with higher level of borrowings and the advantages and security of a sound capital position.

There were no changes in the BOD's approach to capital management during the year. The Company is not subject to any externally-imposed capital requirements.

4.6 General

- i) Amounts appearing in these financial statements have been rounded off to the nearest Bangladesh Taka; and
- ii) Figures related to previous year have been rearranged wherever considered necessary to confirm with current year's presentation.



5

Property, plant and equipment

Cost at the beginning of the year
 Add: Addition during the year
 Less: Adjustment/disposal during the year
 Cost at the close of the year

31 Dec 2019	31 Dec 2018
BDT	BDT
47,538,879	50,011,819
-	3,847,240
255,000	6,320,181
47,283,879	47,538,879
38,966,629	42,990,924
2,092,471	2,295,885
255,000	6,320,181
40,804,099	38,966,628
6,479,779	8,572,250

Accumulated depreciation at the beginning of the year
 Add: Depreciation during the year
 Less: Adjustment/disposal during the year
 Accumulated depreciation the end of the year

Carrying amount as at 31 December

Details are shown in Annexure-A

6

Intangible assets

Cost at the beginning of the year
 Add: Addition during the year
 Less: Adjustment/disposal during the year
 Cost at the close of the year

469,220	234,610
479,391	234,610
-	-
948,611	469,220
169,441	52,136
262,938	117,305
-	-
432,379	169,441
516,232	299,780

Accumulated depreciation at the beginning of the year
 Add: Depreciation during the year
 Less: Adjustment/disposal during the year
 Accumulated depreciation the end of the year

Carrying amount as at 31 December

Details are shown in Annexure-A

7

Right-of-use assets

Cost at the beginning of the year
 Add: Addition during the year
 Less: Adjustment/disposal during the year
 Cost at the close of the year

-	-
13,740,773	-
-	-
13,740,773	-
-	-
9,017,503	-
-	-
9,017,503	-
4,723,270	-

Accumulated depreciation at the beginning of the year
 Add: Depreciation during the year
 Less: Adjustment/disposal during the year
 Accumulated depreciation the end of the year

Carrying amount as at 31 December

Details are shown in Annexure-A



8 Investment in associate company

	31 Dec 2019 BDT	31 Dec 2018 BDT
BRAC Asset Management Company Limited	15,676,040	15,526,676
Profit for the period	1,496,879	149,364
	<u>17,172,920</u>	<u>15,676,040</u>
Striking off Investments in associate	17,172,920	-
Closing Balance	<u>-</u>	<u>15,676,040</u>

9 Deferred tax assets

	<u>286,439,604</u>	<u>282,156,146</u>
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Deferred tax has been recognized in accordance with the provision of IAS 12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and their tax base. Related tax income / expense has been recognised in the Profit and Loss account.

9.1 Deferred tax on temporary differences

(i) Deductible temporary differences		
Property, plant and equipment	(14,029,403)	(2,606,850)
(ii) Taxable temporary difference		
Finance lease obligations		
Net taxable temporary differences	<u>(14,029,403)</u>	<u>(2,606,850)</u>
Deferred tax asset	<u>(5,261,026)</u>	<u>(977,569)</u>
Net taxable temporary differences	(14,029,403)	(2,606,850)
Tax rate	37.50%	37.50%
Deferred tax asset as at 31 December	<u>(5,261,026)</u>	<u>(977,569)</u>
Less: opening balance as at 1 January	977,569	1,468,974
Deferred tax expense /(income)	<u>(4,283,458)</u>	<u>491,405</u>

9.2 Net Operating loss carry forwards

Operation income/(loss) before provision	-	-
Tax rate	37.50%	37.50%
Deferred tax asset as at 31 December	<u>(281,178,577)</u>	<u>(281,178,577)</u>
Less: opening balance as at 1 January	-	-
Deferred tax expense /(income) from operating loss		

Total deferred tax expense /(income)	<u>(4,283,458)</u>	<u>491,405</u>
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10 Account receivables

Portfolio Management Department (PMD) (Note-10.1)	675,223	3,528,400
Structured Finance Department (SFD) (Note-10.2)	14,999,197	24,400,447
	<u>15,674,420</u>	<u>27,928,847</u>



	31 Dec 2019	31 Dec 2018
	BDT	BDT
10.1 Portfolio Management Department (PMD)		
Receivable from brokerage for client trading	675,223	3,528,400
Receivable from brokerage for own investment	-	-
	<u>675,223</u>	<u>3,528,400</u>
PMD's receivables consist mainly of net receivables from brokers for daily sale and buy transactions of clients. These are cleared every 3 working days.		
10.2 Structured Finance Department (SFD)		
Debt arrangement fees	12,695,572	22,096,822
Corporate advisory fees	2,303,625	2,303,625
	<u>14,999,197</u>	<u>24,400,447</u>
11 Inter-company receivables		
BRAC EPL Stock Brokerage Limited	136,066	21,022
	<u>136,066</u>	<u>21,022</u>
12 Investment in quoted securities		
	895,166,869	1,142,452,451
	<u>895,166,869</u>	<u>1,142,452,451</u>
The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognized at market value on aggregate basis. As per IFRS 9: Financial Instruments, these have been classified as fair value through profit or loss where gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of comprehensive income.		
13 Advance income tax		
Opening balance	18,608,816	14,748,510
Add: paid during the year	6,505,894	3,860,306
	<u>25,114,710</u>	<u>18,608,816</u>
Less: adjusted during the year	-	-
	<u>25,114,710</u>	<u>18,608,816</u>
14 Loans and advances to customers		
Opening balance	1,703,219,146	1,722,386,221
Increase / (decrease) during the year	(9,590,478)	(19,167,075)
	<u>1,693,628,668</u>	<u>1,703,219,146</u>

At reporting date, the aggregate market value of stocks held in customer portfolios amounted to Tk.1,403,349,633 which short of the total margin loans of Tk. 1,693,628,668 resulting in an overall shortfall of Tk. 290,279,035.



	31 Dec 2019 BDT	31 Dec 2018 BDT
15 Accrued interest and management fees receivable		
Accrued interest receivable	312,770,270	317,373,625
Accrued management fees receivable	1,108,866	15,329,265
	313,879,136	332,702,889
Accrued interest receivable and accrued portfolio management fee is deducted from client's account on every calendar quarter and adjusted with client's purchase power accordingly.		
16 Advances, deposits and prepayments		
Advances		
Staff loans	66,000	-
General suppliers	332,842	206,258
	398,842	206,258
Deposits		
Regulators	314,500	314,500
Pre- IPO	-	3,529,965
	314,500	3,844,465
Prepayments		
Office rent	1,637,712	1,637,712
	2,351,054	5,688,435
17 Cash and cash equivalents		
Cash in hand	134,654	98,868
Balance with Banks		
BRAC Bank Ltd.	4,041,678	7,659,807
Standard. Chartered Bank	5,989,507	5,211,796
NRB Commercial Bank Limited	515,189	511,992
NRB Bank Limited	747	1,667
One Bank Limited	234,216	468,854
Standard Bank Limited	4,449	5,369
Midland Bank	95,300	96,220
	11,015,740	14,054,573
18 Share capital		
18.1 Authorized share capital		
300,000,000 ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
18.2 Issued, subscribed and paid-up share capital		
258,500,000 ordinary shares of Taka 10 each	2,585,000,000	2,585,000,000

The company's shareholding position as at 31 December was as follows:

Name of shareholders	Nationality/ Incorporated in	No of shares	Face value per share (Taka)	Amount
				Taka
BRAC Bank Ltd.	Bangladesh	258,358,734	10	2,583,587,340
Other individual shareholders	Various	141,266		1,412,660
		258,500,000		2,585,000,000

As per Form-117, BRAC Bank Limited (hereinafter called the "said Transferee") acquired shares from the minority shareholders on 19th November 2017. BRAC Bank Limited currently holding 99.95% of shares of BEIL's total subscribed shares.



	31 Dec 2019	31 Dec 2018
	BDT	BDT
19 Customer deposits		
Opening balance	94,838,032	343,191,760
Change during the year	(9,983,459)	(248,353,728)
	<u>84,854,573</u>	<u>94,838,032</u>

Customer deposits represent uninvested funds lying in the company's account at the reporting date.

20 Bank overdrafts		
BRAC Bank. Limited	798,405,356	799,265,809
	<u>798,405,356</u>	<u>799,265,809</u>

The terms and conditions of the bank overdraft are as follows:

BRAC Bank Limited

Type of facility	: Overdraft 1- renewal
Facility limit	: BDT 800,000,000 (BDT eight hundred million) only.
Repayment procedures	: From operational cash flow/or own sources of borrower.
Maximum tenor	: On demand
Purpose	: To meet day to day operational activities.
Expiry	: 29 March 2020

21 Short term loan	<u>540,000,000</u>	<u>470,000,000</u>
21.1 Opening balance	470,000,000	220,000,000
Add: received during the year	1,320,590,371	970,000,000
	<u>1,790,590,371</u>	<u>1,190,000,000</u>
Less: payment during the year	1,250,590,371	720,000,000
Closing balance	<u>540,000,000</u>	<u>470,000,000</u>

21.1.1 Short term Loan from BRAC Bank Limited

Opening balance	470,000,000	220,000,000
Add: received during the year	-	970,000,000
	<u>470,000,000</u>	<u>1,190,000,000</u>
Less: payment during the year	470,000,000	720,000,000
Closing balance	<u>-</u>	<u>470,000,000</u>

The terms and conditions of the loan taken from BRAC Bank Limited are as follows:

Loan limit	: BDT 700,000,000 (BDT seven hundred million) only.
Repayment procedures	: From operational cash flow/or own sources of borrower.
Maximum tenor	: 180 days (maximum from date of each disbursement)
Purpose	: To meet funding requirement for margin lending.
Expiry	: 29 March 2019



	31 Dec 2019	31 Dec 2018
	BDT	BDT
21.1.2 Short term Loan from IIDFC Limited		
Add: received during the year	1,070,590,371	-
Less: payment during the year	680,590,371	-
Closing balance	<u>390,000,000</u>	<u>-</u>

The terms and conditions of the loan taken from IIDFC Limited are as follows:

Loan limit	: BDT 500,000,000 (BDT five hundred million) only.
Mode of repayment	: Interest will be paid on quaterly basis and principal will be repaid on maturity
Maximum tenor	: 1 Year or Twelve months
Purpose	: To meet Business Operation
Expiry	: 09 October 2020.

21.1.3 Short term Loan from United Finance Limited

Add: received during the year	250,000,000	-
Less: payment during the year	100,000,000	-
Closing balance	<u>150,000,000</u>	<u>-</u>

The terms and conditions of the loan taken from United Finance Limited are as follows:

Loan limit	: BDT 250,000,000 (BDT Twenty five hundred million) only.
Mode of repayment	: Periodic payment basied on credit period
Maximum tenor	: Within 120 days from the date of disbursment with principal and interest
Purpose	: Short term finance revolving loan
Expiry	: 05 May 2020.

22 Account payables

Broker for client trading	1,350,138	3,269,339
VAT on fee income	4,677,986	5,791,736
Payable for other PMD activities	390	883
Broker for Own Investment	-	-
Tax deducted at source from salaries and allowances	212,430	219,146
Tax deducted at source from suppliers	105,174	84,093
Withholding VAT on office rent	73,095	-
Withholding VAT on suppliers' payments	302,858	310,534
Tax deducted at source from office rent	65,213	40,848
	<u>6,787,284</u>	<u>9,716,578</u>



	31 Dec 2019	31 Dec 2018
	BDT	BDT
23 Other liabilities		
Provision for loans and advances (Note 23.1)	1,059,064,609	1,059,064,609
Interest Payable	3,286,240	-
Sales receivable in transit	3,672,126	4,905,854
Salaries & Other payable	-	-
CDBL charges	20,000	19,970
Office maintenance	5,167,418	5,068,921
Audit fees	198,000	198,000
IT expenses	211,386	211,386
Telephone and mobile expenses	21,099	21,099
Rent	55,813	55,813
Security services	(4,546)	(4,644)
Legal. and professional fees	201,174	215,574
Repair and maintenance	-	-
Printing- Postage & Stationery	9,001	9,001
Liability for fixed Assets	234,610	-
Provision for account receivable (Note 23.2)	12,871,697	-
	1,085,008,627	1,069,765,583
23.1 Provision for loans and advances		
Opening balance	1,059,064,609	1,059,064,609
Provision made during the year	-	-
Provision released during the year	-	-
Closing balance	1,059,064,609	1,059,064,609
<p>A provision has been made of BDT 1,059,064,609 which represents 53% of the total shortfall between the aggregate value of the portfolio and the loans extended on these accounts. BSEC circular SEC/CMRRCD/2009-193/196 dated 28 December 2016 requires a 20% provision on such shortfall at 31 December 2016. Circular BSEC/SRI/Policy/3/2020/68 BSEC time extension upto 31 December 2022.</p>		
23.2 Provision for account receivables		
Debt arrangement fee		
Omera petroleum limited	8,493,072	-
CACO chemicals	1,500,000	-
Silver composite	575,000	-
	10,568,072	-
Corporate advisory fee		
KDDI	578,625	-
PEB Steel	1,725,000	-
	2,303,625	-
Total:	12,871,697	-
24 Provision for taxation		
Opening balance	2,970,757	2,072,644
Add : provision made during the year	482,599	898,113
	3,453,356	2,970,757
Less: paid/adjusted during the year	-	-
	3,453,356	2,970,757



	31 Dec 2019	31 Dec 2018
	BDT	BDT
23 Other liabilities		
Provision for loans and advances (Note 23.1)	1,059,064,609	1,059,064,609
Interest Payable	3,286,240	-
Sales receivable in transit	3,672,126	4,905,854
Salaries & Other payable	-	-
CDBL charges	20,000	19,970
Office maintenance	5,167,418	5,068,921
Audit fees	198,000	198,000
IT expenses	211,386	211,386
Telephone and mobile expenses	21,099	21,099
Rent	55,813	55,813
Security services	(4,546)	(4,644)
Legal. and professional fees	201,174	215,574
Repair and maintenance	-	-
Printing- Postage & Stationery	9,001	9,001
Liability for fixed Assets	234,610	-
Provision for account receivable (Note 23.2)	12,871,697	-
	1,085,008,627	1,069,765,583

23.1 Provision for loans and advances

Opening balance	1,059,064,609	1,059,064,609
Provision made during the year	-	-
Provision released during the year	-	-
Closing balance	1,059,064,609	1,059,064,609

A provision has been made of BDT 1,059,064,609 which represents 53% of the total shortfall between the aggregate value of the portfolio and the loans extended on these accounts. BSEC circular SEC/CMRRCD/2009-193/196 dated 28 December 2016 requires a 20% provision on such shortfall at 31 December 2016. Circular BSEC/SRI/Policy/3/2020/68 BSEC time extension upto 31 December 2022.

23.2 Provision for account receivables

Debt arrangement fee

Omera petroleum limited	8,493,072	-
CACO chemicals	1,500,000	-
Silver composite	575,000	-
	10,568,072	-

Corporate advisory fee

KDDI	578,625	-
PEB Steel	1,725,000	-
	2,303,625	-
Total:	12,871,697	-

24 Provision for taxation

Opening balance	2,970,757	2,072,644
Add : provision made during the year	482,599	898,113
	3,453,356	2,970,757
Less: paid/adjusted during the year	-	-
	3,453,356	2,970,757



		31 Dec 2019	31 Dec 2018
		BDT	BDT
25	Inter-company payable		
	BRAC Asset Management Company Limited	-	400,000
	BRAC EPL Stock Brokerage Ltd.	1,093,915	627,356
		<u>1,093,915</u>	<u>1,027,356</u>
26	Interest expenses	<u>136,604,943</u>	<u>115,227,974</u>
26.1	Interest expenses for loan		
	BRAC Bank Limited	99,979,773	115,227,974
	IIDFC	30,253,497	-
	United Finance	5,362,499	-
		<u>135,595,770</u>	<u>115,227,974</u>
26.2	Interest expenses on Right of use assets	<u>1,009,172</u>	<u>-</u>
27	Fee and commission income		
	Portfolio Management Department (PMD) (note-27.1)	14,491,985	25,791,163
	Structured Finance Department (SFD) (note-27.2)	6,625,100	13,470,000
		<u>21,117,085</u>	<u>39,261,163</u>
27.1	Portfolio Management Department (PMD)		
	Settlement fees	11,447,444	15,574,432
	Management fees	2,798,681	9,944,911
	BO maintenance fees	222,000	231,050
	Documentation fees	9,800	16,300
	Commission income from IPO	14,060	24,470
		<u>14,491,985</u>	<u>25,791,163</u>
27.2	Structured Finance Department (SFD)		
	Debt. arrangement fees	6,625,100	11,625,000
	Corporate advisory fees	-	1,845,000
		<u>6,625,100</u>	<u>13,470,000</u>



		31 Dec 2019	31 Dec 2018
		BDT	BDT
28	Fee and commission expenses		
	Brokerage commission cost	6,126,189	8,406,656
		<u>6,126,189</u>	<u>8,406,656</u>
29	(Loss)/Income from investment in securities		
	Realized (loss)/ gain during the year	18,343,700	19,672,937
	Fair value adjustment at reporting date	(248,567,074)	(192,772,006)
		<u>(230,223,374)</u>	<u>(173,099,069)</u>
30	Other operating income/(loss)		
	Dividend income	29,998,483	24,240,836
	Gain on disposal of property, plant and equipment	24,000	2,842,200
		<u>30,022,483</u>	<u>27,083,036</u>
31	Operating expenses		
	Salaries and allowances	25,775,109	31,895,367
	Other personnel expenses	3,680,803	1,939,633
	Rental expenses	-	9,446,816
	Utilities, maintenance and running expenses	6,704,176	7,165,781
	CDBL expenses	398,527	537,164
	Legal and professional fees	1,085,100	1,578,100
	Telephone, communication and IT expenses	1,516,518	1,400,862
	Printing and stationery	456,383	318,137
	Travelling and conveyance	575,404	168,844
	Vehicle maintenance expenses	1,082,370	298,544
	Entertainment expenses	263,359	359,928
	Meeting expenses	278,340	308,334
	License and renewal fees	36,913	242,392
	Audit fees	253,000	253,000
	Regulatory fees	150,000	200,000
	Insurance	837,347	524,983
		<u>43,093,350</u>	<u>56,637,885</u>
As per IFRS 16, rental expnese, amounting TK. 9,648,680 have reclassified while recognising right of use assets.			
32	Financial expenses		
	Bank charges and commission	482,517	547,790
		<u>482,517</u>	<u>547,790</u>



31 Dec 2019

31 Dec 2018

BDT

BDT

33 Tax expenses

Prior year taxes	-	1,006,500
Current year taxes	482,599	898,113
Deferred tax (income)/expense	(4,283,458)	491,405
	(3,800,858)	2,396,018

34 Number of employees

During the period 25 permanent employees were in the employment with the company whose earning was Taka 36,000 or more per annum.

35 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business. In accordance with the provisions of IAS 24 : Related party disclosure, these are detailed below.

Name of party	Nature of transactions	2019 Taka	2018 Taka
BRAC Bank Limited	Loans and borrowings	798,405,356	1,269,265,809
BRAC EPL Stock Brokerage Limited	Expenses payable	1,093,915	627,356
BRAC EPL Stock Brokerage Limited	Receivable	136,066	21,022
BRAC Asset Management Company Ltd.	Striking off Investments	17,172,920	15,676,040
BRAC Asset Management Company Ltd.	Expense payable	-	400,000
BRAC IT Services Limited	Internet exp payable	-	-

36 Events after the reporting date

No subsequent events were noted for which adjustments or disclosures are required in accordance with IAS 10.



5 Property, plant and equipment- at cost less accumulated depreciation

Annexure-A

Assets	Cost				Rate of depreciation	Depreciation				Amount in Taka	
	Balance on 1 January 2019	Additions during the year	Adjustment during the year	Balance on 31 December 2019		Balance on 01 January 2019	Charged during the Period	Adjustment during the year	Balance on 31 December 2019	Written down value at 31 December 2019	Written down value at 31 December 2018
Furniture & fittings	4,394,050	-	-	4,394,050	10%-20%	4,338,768	7,000	-	4,345,768	48,283	55,283
Office floor space	6,348,797	-	-	6,348,797	5%	2,722,434	307,383	-	3,029,817	3,318,980	3,626,363
Motor vehicles	12,104,340	-	-	12,104,340	20%	7,260,747	1,732,612	-	8,993,359	3,110,981	4,843,593
Leasehold improvement	600,940	-	-	600,940	15%	600,940	-	-	600,940	-	-
IT equipment	14,233,271	-	255,000	13,978,271	25%-33.33%	14,211,629	21,643	255,000	13,978,271	-	21,642
Office equipment	9,857,480	-	-	9,857,480	10%-20%	9,832,111	23,833	-	9,855,944	1,536	25,369
2019	<u>47,538,879</u>	<u>-</u>	<u>255,000</u>	<u>47,283,879</u>		<u>38,966,629</u>	<u>2,092,471</u>	<u>255,000</u>	<u>40,804,099</u>	<u>6,479,779</u>	<u>8,572,250</u>
2018	<u>50,011,819</u>	<u>3,847,240</u>	<u>6,320,181</u>	<u>47,538,879</u>		<u>42,990,924</u>	<u>2,295,885</u>	<u>6,320,181</u>	<u>38,966,629</u>	<u>8,572,250</u>	

6 Intangible assets

Assets	Cost				Rate of depreciation 33.33%	Amortization				Written down value at 31 December 2019	Written down value at 31 December 2018
	Balance on 1 January 2019	Additions during the year	Adjustment during the year	Balance on 31 December 2019		Balance on 01 January 2019	Charged during the Period	Adjustment during the year	Balance on 30 June 2019		
Software	<u>469,220</u>	<u>479,391</u>	<u>-</u>	<u>948,611</u>	33.33%	<u>169,441</u>	<u>262,938</u>	<u>-</u>	<u>432,379</u>	<u>516,232</u>	<u>299,780</u>
2018	<u>234,610</u>	<u>234,610</u>	<u>-</u>	<u>469,220</u>		<u>52,136</u>	<u>117,305</u>		<u>169,441</u>		

7 Right of use assets

Assets	Cost				Method of depreciation	Depreciation				Written down value at 31 December 2019	Written down value at 31 December 2018
	Balance on 1 January 2019	Additions during the year	Adjustment during the year	Balance on 31 December 2019		Balance on 01 January 2019	Charged during the Period	Adjustment during the year	Balance on 30 June 2019		
Office Space (Rent)		<u>13,740,773</u>	<u>-</u>	<u>13,740,773</u>	Straight line	<u>-</u>	<u>9,017,503</u>	<u>-</u>	<u>9,017,503</u>	<u>4,723,270</u>	<u>-</u>

