

**Auditors' Report
&
Audited Financial Statements
of
BRAC EPL Stock Brokerage Limited
For the year ended 31 December 2019**

A. QASEM & Co.

Chartered Accountants

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

We have audited the financial statements of BRAC EPL Stock Brokerage 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 misstatements, 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 auditors' 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 auditors' 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 Stock Brokerage Limited
Statement of Financial Position
As at 31 December 2019

		2019	2018
	Notes	Taka	Taka
Assets			
Non-current assets			
Property, plant and equipment	5	32,922,084	37,681,920
Intangible assets	6	579,473	922,688
Right of use asset	7	60,654,198	-
Investment in associate company	8	-	15,224,510
Investment in DSE & CSE	9	96,986,595	96,986,595
Total non-current assets		191,142,350	150,815,713
Current assets			
Investment in shares	10	455,931,066	543,827,302
Account receivables	11	174,093,546	151,190,669
Inter-company receivables	12	1,243,915	777,356
Margin loan receivables	13	90,168,705	170,693,561
Advances, deposits and prepayments	14	544,092,224	489,621,906
Other receivables	15	1,223,184	1,050,428
Investment in FDRs	16	66,101,634	62,787,880
Cash and cash equivalents	17	462,636,309	446,355,701
Total current assets		1,795,490,583	1,866,304,803
Total assets		1,986,632,933	2,017,120,516
Equity and liabilities			
Shareholder's equity			
Share capital	18	700,953,800	700,953,800
Retained earnings		171,899,728	256,893,198
Revaluation reserve for TREC license	19	87,688,970	87,688,970
Total equity		960,542,498	1,045,535,968
Non-current liabilities			
Lease liability	20	31,225,469	-
Current liabilities			
Lease liability	20	22,519,557	-
Account payables	21	382,599,735	440,068,033
Inter-company payables	22	186,656	571,612
Liability for expenses	23	54,113,639	59,854,256
Provision for income tax	24	535,445,379	471,090,647
Total current liabilities		994,864,966	971,584,548
Total liabilities		1,026,090,435	971,584,548
Total equity and liabilities		1,986,632,933	2,017,120,516

The annexed notes 1 to 37 form an integral part of these financial statements.
Annexure-1 and 2 are integral part of these financial statements.


Chief Executive Officer


Director


Chairperson



Dated, Dhaka
11 March 2020


A. Qasem & Co.
Chartered Accountants

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

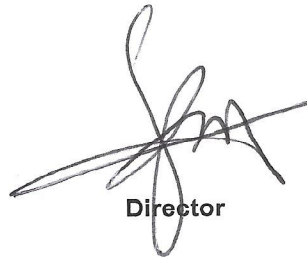
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Service Revenue	25	413,887,472	494,467,299
Direct expenses	26	(114,341,099)	(142,597,238)
Gross profit		299,546,373	351,870,061
Operating expenses	27	(221,649,887)	(230,818,822)
Operating profit		77,896,486	121,051,239
Investment income	28	(109,522,344)	(29,553,646)
Finance income	29	15,108,425	14,322,385
Other income	30	1,582,429	2,546,214
Finance expenses	31	(6,965,225)	(6,798,071)
Share of profit of equity in associate company	8	1,261,492	143,389
Profit before tax		(20,638,737)	101,711,510
Income tax expenses	32	(64,354,732)	(77,747,958)
Net profit after tax		(84,993,469)	23,963,552
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income/(loss)		-	-

The annexed notes 1 to 37 form an integral part of these financial statements.

Allocation of income between Brokerage Income and Other than Brokerage Income has been shown in Annexure-2 which is also an integral part of these financial statements.



Chief Executive Officer



Director



Chairperson




A. Qasem & Co.

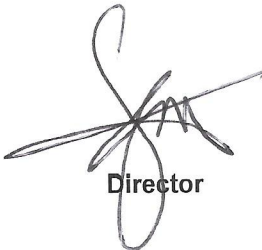
Chartered Accountants

Dated, Dhaka
11 March 2020

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

	2019	2018
	<u>Taka</u>	<u>Taka</u>
A. Cash flows from operating activities:		
Brokerage commission	373,329,034	452,017,963
Payments to creditors and other expenses	(248,829,958)	(379,681,860)
Loans and advances	9,036,935	306,801,752
Cash generated from operating activities	133,536,011	379,137,854
Bank interest income	15,108,425	14,322,385
Income from margin loan	17,638,860	19,725,457
Dividend income	25,780,414	21,895,887
Gain/(loss) on sale of shares	(25,596,615)	67,390,049
Other operating income	22,746,822	26,275,417
Income tax paid	(67,518,840)	(84,868,131)
Cash generated used in other operating activities	(11,840,935)	64,741,064
Net cash flows from operating activities	121,695,076	443,878,918
B. Cash flows from investing activities:		
Acquisition of property, plant and equipment	(6,323,420)	(13,926,934)
Acquisition of intangible assets	(162,417)	(911,647)
Right of use asset	(88,559,501)	-
Sale of property, plant and equipment	1,920,000	2,600,000
Proceeds from liquidation of investment in associate company	16,486,002	-
Investment in shares	87,896,236	(34,122,822)
Unrealized gain/(loss) on share	(109,706,142)	(118,839,582)
Net cash flows (used)/from investing activities	(98,449,243)	(165,200,985)
C. Cash flows from financing activities:		
Finance cost	(6,965,225)	(6,798,071)
Net cash used in financing activities	(6,965,225)	(6,798,071)
Net increase in cash and cash equivalents (A+B+C)	16,280,608	271,879,862
Cash and cash equivalents at the beginning of the year	446,355,701	174,475,839
Cash and cash equivalents at the end of the year	462,636,309	446,355,701


Chief Executive Officer


Director


Chairperson

Dated, Dhaka
11 March 2020




A. Qasem & Co.
Chartered Accountants

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

Particulars	Amount in Taka			
	Share capital	Retained earnings	Revaluation reserve for TREC license	Total
Balance as at 1 January 2018	700,953,800	232,929,645	-	933,883,445
Net profit for the year ended 2018	-	23,963,552	-	23,963,552
Revaluation reserve for TREC license	-	-	87,688,970	87,688,970
Balance as at 31 December 2018	<u>700,953,800</u>	<u>256,893,197</u>	<u>87,688,970</u>	<u>1,045,535,968</u>
 Net profit/(loss) for the year ended 2019	-	(84,993,469)	-	(84,993,469)
Revaluation reserve for TREC license	-	-	-	-
Balance as at 31 December 2019	<u><u>700,953,800</u></u>	<u><u>171,899,728</u></u>	<u><u>87,688,970</u></u>	<u><u>960,542,499</u></u>



Chief Executive Officer



Director



Chairperson



BRAC EPL Stock Brokerage Limited
Notes to the Financial Statements
For the year ended 31 December 2019

1 Company and its activities

1.1 Background and legal status

BRAC EPL Stock Brokerage Limited (hereinafter referred to as the "Company" or BESL) was incorporated in Bangladesh on 16 May 2000 as a private limited company under the Companies Act 1994 initially in the name of Equity Partners Securities Limited, the name of which was changed to BRAC EPL Stock Brokerage Limited on 04 October 2009. The registered office of the Company is located at DSE Annex Building, Dhaka.

1.2 Nature of business

The main objectives of the Company are to carry on the business of stock brokers/stock dealers and other related business in connection with the dealings of listed securities. Other objectives of the Company are to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities, etc. It has corporate membership of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

2 Basis of preparation of financial statements

2.1 Components of the financial statements

The financial statements referred to here comprise:

- a) Statement of Financial Position
- b) Statement of Profit or Loss and Other Comprehensive Income
- c) Statement of Changes in Equity
- d) Statement of Cash Flows; and
- e) Notes to the Financial Statements

2.2 Reporting Period

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

2.3 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 (IFRS) and International Accounting Standards (IAS), the Companies Act 1994, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations applicable in Bangladesh. In case there are differences between IFRS and local statutory requirements, the local regulation has been prevailed.

2.4 Basis of Measurements

The financial statements have been prepared on the accrual basis under the historical cost convention except for investment in shares which have been recognized at market price valued on aggregate basis. No adjustments have been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous years.



2.5 Functional and presentational currency

These financial statements are prepared in Bangladesh Taka (Taka/Tk), which is the company's functional currency. All financial information presented in Taka has been rounded to the nearest integer, except where otherwise indicated.

2.6 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in Note 3 – significant accounting policies

2.6.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2019 is included in the following notes:

Note 5	Depreciation on property and equipment
Note 6	Amortization of intangible asset
Note 7	Right of use asset under lease agreement
Note 24	Provision for income tax

2.7 Going concern

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

2.8 Employee benefit Obligation

2.8.1 a. Defined contribution plan

The Company operates a contributory provident fund for its permanent employees in accordance with the Provident Fund Rules which is recognized by National Board of Revenue. The fund is administered separately by a Board of Trustees consisting of four members and is funded by the equal contribution both by the Company and employees at a predetermined rate.

2.8.2 b. Defined benefit plan (Gratuity scheme)

The Company has a funded gratuity scheme for all permanent employees in accordance with the Gratuity Fund Rules which is approved by National Board of Revenue. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year.



3 Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset includes the cost of material, direct labor and any other cost directly attributable to bringing the assets to a working condition for their intended use.

Subsequent costs

The costs of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation

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:

Name of the assets	<u>2019</u> Rates (%)	<u>2018</u> Rates (%)
Office floor space	2%	2%
Furniture and fixture	12.50%	12.50%
Office decoration	15%	15%
Computers and accessories	25%	25%
Air cooler and ceiling fans	20%	20%
Electrical and office equipment	20%	20%
Vehicles	20%	20%

Retirement and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined by the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.2 Intangible assets

Recognition and measurement

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably.

An intangible asset is measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization and accumulated impairment losses (if any).



Amortization of intangible assets

Amortization is recognized in the Statement of Profit or Loss and Other Comprehensive Income on straight line basis from the date that they are available for use. Amortization on intangible assets is charged for the full month from the month of acquisition. In case of disposals, amortization is charged up to the immediate previous month of disposal. The rate of amortization is 33.33% per annum for software. Amortization methods and amortization rate are reviewed at each reporting date and adjusted if appropriate.

3.3 Right of use assets

The company lease land and buildings for its office space in different locations. Leases are recognized, measured and presented in line with IFRS 16 'Leases'. The company adopted the standards as from January 2019 and used modified retrospective approach and therefore, the comparative information has not been restated in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The company has applied the cost model to right of use assets except for those assets that meet the definition of investment property.

The application of IFRS 16 requires the company to make judgements that affect the valuation of the lease liabilities (Note-20) and the valuation of right of use assets (Note-7). These includes: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows. Some leases include an option to renew the lease for an additional period of the after the end of the contract term. Some leases provide for additional rent payments as per incremental clause in the contracts. The company has elected not to recognize right of use assets and liabilities for leases where the total lease term is less than or equal to 12 months.

The lease term determined by the company non-cancellable period of lease contracts, periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option.

The company recognizes a right of use asset and a lease liability 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. The lease liability 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 the rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discounted rate.

3.4 Valuation and recognition of investment

The listed securities are valued at the closing quoted market price only on the Dhaka Stock Exchange on the date of valuation i.e. on 31 December 2019. Resultant unrealized gain/(loss) is calculated on portfolio basis. The Company shall categorize the investments either as "fair value through profit or loss" or as "fair value through other comprehensive income" as it deems prudent according to the provisions of IFRS-9. However, for those IPO shares the trading of which not yet started are shown at cost price.



3.5 Cash and cash equivalents

In the Statement of Cash Flows, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

3.6 Investments in associate company

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor (IAS-28: Accounting for Investments in Associates"). Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Investment in associate is accounted for in consolidated financial statements under the "equity method". Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investor's share of the profits or losses of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment.

3.7 Provisions

The company recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

3.8 Taxation

a) Current tax :

Current tax has been made on the basis of the Finance Act 2019. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the minimum tax of the Company under section 82C of Income Tax Ordinance (ITO) 1984. Income tax provision is made on capital gains on sale of shares of listed company @ 10% as per SRO No. 269/Law/Income Tax/2010 dated 1 July 2010 whereas it is @ 35% on other than Brokerage income as per tax laws.

b) Deferred tax:

The Company is under purview of section 82C of Income Tax Ordinance (ITO) 1984 which is the minimum tax, therefore, no deferred tax is required.

3.9 Contingencies

Contingencies arising from claims, litigation assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognized in the financial statements, but may require disclosure. A provision should be recognized in the period in which the recognition criteria of provision have been met.



Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognized. Only when the realization of the related economic benefit is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

3.10 Revenue recognition

Revenue is only recognized when the company satisfies a performance obligation in the contract with a customer and when it meets five steps model framework as per IFRS 15. Details of revenue recognition policies are given as under:

- (i) Brokerage commission is recognized as income when selling or buying orders are executed.
- (ii) Interest income on FDR and STD accounts is recognized when accrued.
- (iii) Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.
- (iv) Cash dividend income is recognized on the declaration of dividend and subsequent receipt of such dividend; and
- (v) Stock dividend (bonus shares) have been recognized at zero cost and added with existing shares resulted decrease in per unit cost price of the existing shares.
- (vi) Capital gains on sale of shares are recognized both on realization and unrealization.

Cost of services

Cost of services includes laga and howla charges of stock exchanges booked on daily basis as per trading after receiving the trade reports and the charges of Central Depository Bangladesh Ltd. (CDBL) booked on monthly basis, after receiving the bills from CDBL.

3.11 Service charge

A memorandum of understanding (MOU) between BRAC Bank Limited (BBL) and BRAC EPL Stock Brokerage Limited (BESL) has been signed on 27 march 2011 which states that BESL will be charged a 5% fee for all disbursements made by BBL to cover overhead expenses.

3.12 Margin loan to clients

Margin loans are given as per margin loan policy of the Company. Normally clients are required to deposit Taka 25 lac for entitlement of margin loan.

3.13 General

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



4.00 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of IAS/IFRS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs/IFRSs are applicable for the financial statements for the period under review:

IAS-1	Presentation of Financial Statements
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-24	Related Party Disclosures
IAS-28	Accounting for Investments in Associates
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Leases

The Company is assessing the potential impact on its financial statements resulting from the application of other standards.



	2019 Taka	2018 Taka
5 Property, plant and equipment		
Cost at the beginning of the year	154,161,698	144,503,763
Add: Addition during the year	6,323,420	13,926,935
Less: Adjustment/disposal during the year	4,231,020	4,269,000
Cost at the close of the year	<u>156,254,098</u>	<u>154,161,698</u>
Accumulated depreciation at the beginning of the year	116,479,778	110,628,267
Add: Depreciation during the year	10,745,685	10,066,725
Less: Adjustment/disposal during the year	3,893,449	4,215,214
Accumulated depreciation the end of the year	<u>123,332,014</u>	<u>116,479,778</u>
Carrying amount as at 31 December	<u>32,922,084</u>	<u>37,681,920</u>

Details are given in Annexure - 1.

6 Intangible assets		
Cost at the beginning of the year	25,853,326	24,941,679
Add: Addition during the year	162,417	911,647
Cost at the close of the year	<u>26,015,743</u>	<u>25,853,326</u>
Accumulated amortization at the beginning of the year	24,930,638	24,614,477
Add: Amortization during the year @ 33.33%	505,632	316,161
Accumulated amortization at the end of the year	<u>25,436,270</u>	<u>24,930,638</u>
Carrying amount as at 31 December	<u>579,473</u>	<u>922,688</u>

Details are given in Annexure - 1.

7 Right of use asset under lease agreement		
Cost at the beginning of the year	-	-
Add: Addition during the year	88,559,501	-
Less: Adjustment/disposal during the year	-	-
Cost at the close of the year	<u>88,559,501</u>	<u>-</u>
Accumulated depreciation at the beginning of the year	-	-
Add: Depreciation during the year	27,905,304	-
Less: Adjustment/disposal during the year	-	-
Accumulated depreciation the end of the year	<u>27,905,304</u>	<u>-</u>
Carrying amount as at 31 December	<u>60,654,198</u>	<u>-</u>

Details are given in Annexure - 1.

8 Investment in associate company		
BRAC Asset Management Company Limited		
Opening balance	15,224,510	15,081,120
Add: Profit for the year	1,261,492	143,389
Balance receivable after liquidation	<u>16,486,002</u>	<u>15,224,510</u>
Less: Liquidation	<u>16,486,002</u>	<u>-</u>
Closing balance	<u>-</u>	<u>15,224,510</u>

In 2010, the Company along with other BRAC entities, invested Taka 12,000,000 in BRAC Asset Management Company Limited (BAMCL) which represents 24% of the paid up capital of the Company. BAMCL did not start operation during the year 2011 to 2018 due to pending regulatory approval. BESL's share of the profit of BAMCL for the year 2019 has been recognized in the profit and loss after liquidation.



	2019 Taka	2018 Taka
9 Investments in DSE & CSE		
Dhaka Stock Exchange Limited (DSE) (Note-9.1)	54,113,295	54,113,295
Chittagong Stock Exchange Limited (CSE) (Note-9.2)	42,873,300	42,873,300
	<u>96,986,595</u>	<u>96,986,595</u>
9.1 Dhaka Stock Exchange Limited (DSE)		
Floated (40%)	28,860,424	28,860,424
Blocked (35%)	25,252,871	25,252,871
	<u>54,113,295</u>	<u>54,113,295</u>
9.2 Chittagong Stock Exchange Limited (CSE)		
Floated (40%)	17,149,320	17,149,320
Blocked (60%)	25,723,980	25,723,980
	<u>42,873,300</u>	<u>42,873,300</u>

Investments for membership of DSE and CSE were initially recognized at cost of BDT 6,920,500 and BDT 4,107,250, subsequently re-measured in accordance with section 8 (Gha) of the Exchanges Demutualization Act 2013. Both stock exchanges have issued shares against membership with Tk. 10 each. The company initially recognized 40% value of Investment in DSE (BDT 28,860,424) and CSE (BDT 17,149,320) in 2013 creating a corresponding Suspense Account of the same value. In 2018, the company recognized the remaining 60% value of both DSE and CSE before receiving the sale proceeds of 25% of DSE shares to Strategic Partner (Chinese Consortium named Shenzhen Stock Exchange and Shanghai Stock Exchange). Membership at cost of both exchanges are adjusted with Revaluation Reserve after de-recognizing the existing Suspense Account.

Shares issued by	No. of shares	No. of shares
Dhaka Stock Exchange Limited (DSE)	5,411,330	5,411,330
Chittagong Stock Exchange Limited (CSE)	4,287,330	4,287,330
Total	9,698,660	9,698,660

Out of total 11,502,436 shares of DSE (7,215,106) and CSE (4,287,330), 40% shares (4,600,974 for Tk 10 each) was transferred by both the Exchanges to Company's BO account. Remaining 60% shares of both Exchanges (6,901,462) were kept in blocked account for disposal in due course. In 2018, DSE sold 25% shares (1,803,777) to Chinese Consortium, remaining 35% shares of DSE (2,525,287) are kept in blocked account along with 60% shares of CSE.

10 Investment in shares		
Investment in shares-IPO	251,320	3,634,385
Investment in shares-Strategic fund	29,555,905	5,875,000
Investment in shares of listed Companies-Dealer Account	426,123,841	534,317,917
	<u>455,931,066</u>	<u>543,827,302</u>
11 Account receivables		
Clients	93,178,788	126,106,419
Dhaka Stock Exchange Limited (DSE)	80,397,847	25,028,391
Chittagong Stock Exchange Limited (CSE)	516,911	55,859
	<u>174,093,546</u>	<u>151,190,669</u>



	2019 Taka	2018 Taka
12 Inter-company receivables		
BRAC Bank Limited	150,000	150,000
BRAC EPL Investment Limited	1,093,915	627,356
	<u>1,243,915</u>	<u>777,356</u>
13 Margin loan receivables	<u>90,168,705</u>	<u>170,693,561</u>
The above amount represents loan entitled to clients against securities. The Company had started margin loan facilities from 01 October 2011. Loan limit to single client is maximum 50% of client's margin.		
14 Advances, deposits and prepayments		
Advances (Note-14.1)	541,644,833	487,368,666
Deposits (Note-14.2)	988,981	988,981
Prepayments (Note-14.3)	1,458,410	1,264,259
	<u>544,092,224</u>	<u>489,621,906</u>
14.1 Advances		
Income tax (Note-14.1.1)	519,074,074	451,555,234
Office rent	-	12,227,849
Software system	638,043	1,031,539
Salary and allowances	13,647,925	15,523,739
Other advances	8,284,791	7,030,305
	<u>541,644,833</u>	<u>487,368,666</u>
14.1.1 Advance Income Tax		
Balance at beginning of the year	451,555,234	366,687,104
Add: Paid during the year	67,518,840	84,868,131
	<u>519,074,074</u>	<u>451,555,234</u>
Adjustment made for previous years	-	-
Balance at end of the year	<u>519,074,074</u>	<u>451,555,234</u>
14.2 Security deposits		
DSE-floor space	850,024	850,024
Depository Participant (DP) for CDBL	102,500	102,500
BTCL-land phone	23,705	23,705
Deposit to BRAC EPL Investment Limited	10,752	10,752
Mobile phone	2,000	2,000
	<u>988,981</u>	<u>988,981</u>
14.3 Prepayments		
Prepaid insurance	663,827	469,676
Prepaid VAT	794,583	794,583
	<u>1,458,410</u>	<u>1,264,259</u>



		2019 Taka	2018 Taka
15 Other receivables			
Other income receivables		1,192,176	1,050,428
Accounts receivable-others		31,008	-
		<u>1,223,184</u>	<u>1,050,428</u>
16 Investment in FDRs			
BRAC Bank Limited		12,945,879	12,065,125
Standard Chartered Bank		27,988,955	27,243,174
Jamuna Bank Limited		8,641,688	8,192,707
Padma Bank Limited (The Farmers Bank Limited)		16,525,112	15,286,875
		<u>66,101,635</u>	<u>62,787,881</u>
17 Cash and cash equivalents			
Cash in hand		<u>1,169,339</u>	<u>1,582,636</u>
Cash at bank			
Consolidate Customers' Account (Note-17.1)		425,209,243	379,288,448
Operational Account (Note-17.2)		27,893,607	24,699,314
Strategic Investment (Note-17.3)		-	30,384,697
IPO Block Account (Note-17.4)		815,445	1,079,358
Dealer Account (Note-17.5)		7,548,675	9,321,247
		<u>461,466,970</u>	<u>444,773,065</u>
		<u>462,636,309</u>	<u>446,355,701</u>
17.1 Consolidate Customers' Account			
Bank name	Account Number	425,209,243	370,570,041
One Bank Limited	13000000558	332,666,554	65,643,941
Standard Chartered Bank	01-7503024-02	67,630,958	237,709,180
Standard Chartered Bank	02-7503024-01	114,634	43,044,632
The City Bank Limited	3102159661001	24,797,097	24,172,288
17.2 Operational Account			
Bank name	Account Number	27,893,606	33,417,721
Standard Chartered Bank	01-7503024-01	1,836,185	(3,614,567)
BRAC Bank Limited	1513201363499001	722,238	4,000,601
BRAC Bank Limited	1513101363499000	20,668,946	20,272,509
BRAC Bank Limited	1513201363499002	4,243,832	3,625,778
BRAC Bank Limited	1513101363499002	420,355	414,729
BRAC Bank Limited	1501201363499000	2,050	8,718,407
The City Bank Limited	1101063886001	-	265
17.3 Strategic Investment			
Bank name	Account Number	-	30,384,697
BRAC Bank Limited	1501201363499002	-	30,384,697



		2019 Taka	2018 Taka
17.4 IPO Block Account			
<u>Bank name</u>	<u>Account Number</u>	815,445	1,079,358
Standard Chartered Bank	02-7503024-02	815,445	1,079,358
17.5 Dealer Account			
<u>Bank name</u>	<u>Account Number</u>	7,548,675	9,321,247
Standard Chartered Bank	01-7503024-03	1,075,984	8,518,261
Standard Chartered Bank	02-7503024-03	6,472,691	802,986
18 Share capital			
18.1 Authorized share capital			
10,000,000 ordinary shares of Taka 100 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
18.2 Issued, subscribed and paid-up share capital			
Balance at the beginning of the year		700,953,800	700,953,800
Add: Bonus shares issued		-	-
		<u>700,953,800</u>	<u>700,953,800</u>

The Company's shareholding position at the date of statement of financial position was as follows:

Name of share-holders	Nationality/ incorporated in	No. of shares		Amount in Taka	
		2019	Face value	2019	2018
BRAC Bank Limited	Bangladesh	6,308,541	100	630,854,100	630,854,100
Saiful Islam	Bangladeshi	700,954	100	70,095,400	70,095,400
BRAC	Bangladesh	3	100	300	300
Ms. Nihad Kabir	Bangladesh	10	100	1,000	1,000
Mr. Selim R. F. Hussain	Bangladesh	10	100	1,000	1,000
Mr. Shib Narayan Kairy	Bangladesh	10	100	1,000	1,000
Ms. Tamara Hasan Abed	Bangladesh	10	100	1,000	1,000
		<u>7,009,538</u>		<u>700,953,800</u>	<u>700,953,800</u>

The Board of Directors in its 69th Board meeting held on 6th March 2016 has proposed 15% stock dividend which subsequently got approved on 16th AGM held on 21st March 2016. The company then increased its paid-up share capital from Taka 451,500,000 to Taka 519,225,000 by issuing 677,250 bonus shares to the shareholder as approved in 16th Annual General Meeting (AGM) held on 21st March 2016 after receiving consent from Bangladesh Securities & Exchange Commission dated 11th April 2017. Furthermore, The Board of Directors in its 75th Board meeting held on 1st March 2017 has proposed 35% stock dividend which subsequently got approved on 17th AGM held on 23rd March 2017. The company then increased its paid-up share capital from Taka 519,225,000 to Taka 700,953,800 by issuing 1,817,288 bonus shares to the shareholder as approved in 17th Annual General Meeting (AGM) held on 23rd March 2017 after receiving consent from Bangladesh Securities & Exchange Commission dated 27th December 2017.



	2019 Taka	2018 Taka
19 Revaluation reserve for TREC license		
Revaluation Reserve for TREC License-DSE	48,922,920	48,922,920
Revaluation Reserve for TREC License-CSE	38,766,050	38,766,050
	<u>87,688,970</u>	<u>87,688,970</u>
Investments for membership was initially recognized at cost and was subsequently re-measured in accordance with section 8 (Gha) of the Exchanges Demutualization Act 2013, both stock exchanges have issued shares against membership with Tk. 10 each. Surplus arising from changes in the value of investment for membership are transferred to Revaluation Reserve for TREC License.		
20 Lease liability under lease agreement		
Balance at the beginning of the year	-	-
Add: Addition during the year	53,745,026	-
Less: Adjustment/disposal during the year	-	-
	<u>53,745,026</u>	<u>-</u>
20.1 Lease liabilities are presented in the statement of financial position as follows:		
Current	22,519,557	-
Non-current	31,225,469	-
	<u>53,745,026</u>	<u>-</u>
21 Account payables		
Clients	381,094,035	429,026,979
Dhaka Stock Exchange Limited (DSE)	1,505,700	10,362,008
Chittagong Stock Exchange Limited (CSE)	-	654,046
Payable to Issuer (IPO)	-	25,000
	<u>382,599,735</u>	<u>440,068,033</u>
22 Inter-company payables		
BRAC EPL Investment Limited	136,066	21,022
BRAC IT Services Limited	50,590	550,590
	<u>186,656</u>	<u>571,612</u>
23 Liability for expenses		
Performance bonus	21,841,615	21,841,615
Provision for bad debts	9,813,482	13,079,802
CDBL BO maintenance fees	5,580,100	7,230,300
Withholdings tax and VAT	4,006,921	1,000,738
Business development expenses	96,914	275,000
Legal and professional fees	92,000	440,501
Office rent	400,200	162,150
Audit fee	220,989	224,215
Electricity bills	295,844	512,716
Entertainment expense	19,349	103,190
CDBL charges	458,937	629,328
Repair and office maintenance	132,458	634,054
Telephone and mobile bills	183,514	259,269
Utilities and outsources	123,508	853,346
Salary and allowance	173,897	-
Trading expenses payable	9,842,974	11,143,054
Other payables	830,936	1,464,977
	<u>54,113,638</u>	<u>59,854,256</u>



	2019 Taka	2018 Taka
24 Provision for income tax		
Balance at the beginning of the year	471,090,647	393,342,689
Add: Provision made during the year (Note-32)	64,354,732	77,747,958
Adjustment of tax provision for previous year	-	-
	535,445,379	471,090,647
25 Service Revenue		
Dhaka Stock Exchange (DSE)	355,261,772	410,452,693
Chittagong Stock Exchange (CSE)	18,067,262	41,565,270
Income from margin loan	17,638,860	19,725,457
Annual account maintenance fees	4,784,250	4,192,750
BO account maintenance fees	9,735,750	10,358,900
Advisory income	4,860,771	3,711,475
IPO Service Charge	367,295	539,585
BO account opening fees	548,600	1,093,650
Sale of BO form	130,020	257,100
Others	2,492,892	2,570,420
	413,887,472	494,467,299
26 Direct expenses		
Howla-DSE	2,750	2,200
Howla-CSE	-	33,070
Laga-DSE	23,726,398	25,035,968
Laga-CSE	364,120	638,225
CDBL Maintenance Charge	7,505,350	4,552,091
Trading expense	82,742,482	112,335,684
	114,341,099	142,597,238
This represents Howla and Laga charges paid to DSE and CSE for the transactions of traded securities. Howla is paid based on number of transactions and Laga is paid based on turnover at applicable rate prescribed by DSE and CSE.		
27 Operating expenses		
Administrative expenses (Note-27.1)	188,878,312	192,962,338
Other operating expenses (Note-27.2)	32,771,575	37,856,484
	221,649,887	230,818,822
27.1 Administrative expenses		
Salary and allowances (Note-27.1.1)	127,419,610	130,025,958
Office rent and service charges	-	28,336,989
Depreciation on PPE (Note-5)	10,745,685	10,066,725
Amortization of intangible assets (Note-6)	505,632	316,161
Depreciation on right of use assets (Note-7)	27,905,304	-
Internet bills	3,070,573	3,824,716
Outsourcing expenses	8,343,376	8,200,733
CDBL charges	7,459,837	8,465,335
Insurance	1,609,797	1,828,953
Networking expenses	498,590	634,507
DSE, CSE and BSEC charges	1,319,909	1,262,260
	188,878,312	192,962,338



	2019 Taka	2018 Taka
27.1.1 Salary and allowances		
Salary and allowances	117,099,049	121,464,798
Provident fund contribution	4,927,121	4,537,391
Gratuity	5,393,440	4,023,769
	<u>127,419,610</u>	<u>130,025,958</u>
27.2 Other operating expenses		
Utility expenses	3,978,526	3,512,292
Entertainment	3,311,184	3,603,715
Office maintenance	3,029,128	3,246,793
Telephone and mobile bills	1,895,328	2,092,859
Printing and stationery	918,128	1,378,804
Business promotional expenses	1,605,102	4,345,543
Advertisement	1,154,515	1,028,760
Fuel, lubricants and car maintenance	1,736,544	2,116,160
Board meeting fees	225,000	195,000
Travel and conveyance	4,527,232	3,570,838
Postage and courier	308,109	324,199
Professional fees	717,574	1,385,863
Training and development	1,989,682	770,678
Repair and software maintenance	4,020,500	2,314,220
Fees & subscriptions and license & renewal	1,253,718	2,595,633
News paper, books and periodicals	121,959	152,061
Audit fee	207,239	210,465
Photocopy and photograph	2,226	5,238
Reward and recognition	976,813	3,984,891
Other expenses	793,069	1,022,471
	<u>32,771,575</u>	<u>37,856,484</u>
28 Investment income		
Realized gain on share	(25,596,615)	67,390,049
Unrealized gain/(loss) on share	(109,706,142)	(118,839,582)
Dividend income	25,780,414	21,895,887
	<u>(109,522,344)</u>	<u>(29,553,646)</u>
29 Finance income		
Income from bank interest	15,108,425	14,322,385
	<u>15,108,425</u>	<u>14,322,385</u>
30 Other income		
Gain/(loss) on sale of fixed assets	1,582,429	2,546,214
	<u>1,582,429</u>	<u>2,546,214</u>
31 Finance Cost		
Bank guarantee commission	4,600,000	4,216,661
Bank interest, charges and commission	1,282,964	2,581,410
Finance Charge (Interest expense- Lease Rent)	1,082,261	-
	<u>6,965,225</u>	<u>6,798,071</u>



	2019 Taka	2018 Taka
32 Income tax expenses		
Provision for tax on brokerage commission	52,053,052	59,690,902
Provision for tax other than brokerage commission	12,301,680	18,057,055
Provision for 2019	64,354,732	77,747,958
Adjustment for previous year	-	-
	64,354,732	77,747,958
33 Contingent liabilities and capital expenditure commitments		
i) Claims against the company not acknowledged as debt	-	-
ii) Capital expenditure commitments	-	-
a. Contracted but not provided for	-	-
b. Approved but not contracted for	-	-
34 Number of employees engaged for drawing remuneration		
i) Up to Taka 3000 per month	-	-
ii) Above Taka 3000 per month	117	126
	117	126

35 Financial risk management

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

35.1 Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, clients are grouped according to their risk profile, i.e. their legal status, financial condition etc. Receivable from clients is the debit balance in the client ledger as a result of buy/sell of shares.

35.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

35.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



2019
Taka

2018
Taka

35.4 Currency risk

The Company has not entered into any transaction denominated by a currency other than the local currency during the year ended 31 December 2019.

35.5 Interest rate risk

The only interest bearing financial instrument for the Company is the short notice deposit (SND) account maintained by the Company with its commercial banks. These are highly liquid and very short term deposits with nominal interest rate. Interest rate fluctuation for such investment have little impact on financial statements. Therefore, interest rate risk for the Company is insignificant.

36 Related party transactions

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

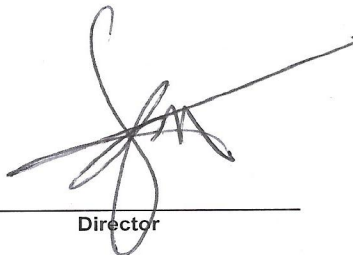
Name of party	Relationship with BESL	Nature of transactions	2019 Taka	2018 Taka
BRAC EPL Investments Limited	Common Parent	Expenses receivable	1,093,915	627,356
BRAC Bank Limited	Parent Company	Commission receivable	150,000	150,000
BRAC EPL Investment Limited	Common Parent	Expenses payable	136,066	21,022
BRAC IT Services Limited	Common Parent	IT services	50,590	550,590
BRAC Asset Management Compnay	Common Parent	Liquidation of investment	16,486,002	15,224,510

37 Events after the reporting period

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



Chief Executive Officer



Director



Chairperson



5 Property, plant and equipment

Annexure-1
Amount in Taka

Particulars	Cost				Rate (%)	Depreciation				Written down value as at 31 Dec 2019
	As at 1 January 2019	Additions during the year	Adjust-ment/ disposal	As at 31 Dec 2019		As at 1 January 2019	Charged during the year	Adjust-ment/ disposal	As at 30 Dec 2019	
Office floor space	10,472,795	-	-	10,472,795	2	1,729,088	209,460	-	1,938,548	8,534,247
Furniture and fixtures	10,803,699	48,390	-	10,852,089	12.5	8,144,245	648,009	-	8,792,255	2,059,835
Office decoration	52,294,843	369,325	-	52,664,168	15	44,481,133	2,576,970	-	47,058,103	5,606,065
Computers and accessories	37,328,525	5,302,595	-	42,631,120	25	29,001,046	4,359,267	-	33,360,313	9,270,807
Air coolers and ceiling fans	14,429,225	249,375	-	14,678,600	20	10,644,667	1,300,344	-	11,945,011	2,733,589
Electrical and office equipment	18,185,591	353,735	1,250,000	17,289,326	20	15,538,619	748,765	1,250,000	15,037,384	2,251,942
Vehicles	10,647,020	-	2,981,020	7,666,000	20	6,940,979	902,870	2,643,449	5,200,400	2,465,600
Total 31 December 2019	154,161,697	6,323,420	4,231,020	156,254,097		116,479,778	10,745,685	3,893,449	123,332,014	32,922,084
Total 31 December 2018	144,503,763	13,926,934	4,269,000	154,161,697		110,628,267	10,066,725	4,215,214	116,479,778	37,681,920



6 Intangible assets

Particulars	Cost				Rate (%)	Amortization				Written down value as at 31 Dec 2019
	As at 1 January 2019	Additions during the year	Adjust-ment/ disposal	As at 31 Dec 2019		As at 1 January 2019	Charged during the year	Adjust-ment/ disposal	As at 30 Dec 2019	
Software	25,853,326	162,417	-	26,015,743		24,930,638	505,632	-	25,436,270	579,473
Total 31 December 2019	25,853,326	162,417	-	26,015,743		24,930,638	505,632	-	25,436,270	579,473
Total 31 December 2018	24,941,679	911,647	-	25,853,326		24,614,477	316,161	-	24,930,638	922,688

7 Right of use asset

Particulars	Cost				Rate (%)	Depreciation				Written down value as at 31 Dec 2019
	As at 1 January 2019	Additions during the year	Adjust-ment/ disposal	As at 31 Dec 2019		As at 1 January 2019	Charged during the year	Adjust-ment/ disposal	As at 30 Dec 2019	
Office Space	-	88,559,501	-	88,559,501		-	27,905,304	-	27,905,304	60,654,198
Total 31 December 2019	-	88,559,501	-	88,559,501		-	27,905,304	-	27,905,304	60,654,198
Total 31 December 2018	-	-	-	-		-	-	-	-	-




BRAC EPL Stock Brokerage Limited
Allocation of profit and loss
For the year ended 31 Dec 2019

	Brokerage Income	Other than Brokerage Income	Total
Brokerage commission	373,329,034	-	373,329,034
Interest from margin loan	-	17,638,860	17,638,860
BO Account maintenance fees	-	9,735,750	9,735,750
Advisory fees	-	4,860,771	4,860,771
BO Account opening fees	-	548,600	548,600
Sale of BO form	-	130,020	130,020
Annual account maintenance fees	-	4,784,250	4,784,250
IPO service charges	-	367,295	367,295
Others	-	2,492,892	2,492,892
Gross revenue	373,329,034	40,558,438	413,887,472
Direct expenses	(106,835,749)	(7,505,350)	(114,341,099)
	266,493,285	33,053,088	299,546,373
Operating expenses *	(199,484,898)	(22,164,989)	(221,649,887)
	67,008,387	10,888,099	77,896,486
Financial expenses	-	(6,965,225)	(6,965,225)
Impairment loss	-	-	-
	-	(6,965,225)	(6,965,225)
Operating Profit	67,008,387	3,922,874	70,931,261
Non-operating income:			
Realized gain on shares	-	(25,596,615)	(25,596,615)
Unrealized gain/(Loss) on shares	-	(109,706,142)	(109,706,142)
Sale Proceeds of 25% DSE Shares	-	-	-
Bank interest	-	15,108,425	15,108,425
Share of profit of equity in associate company	-	1,261,492	1,261,492
Dividend income	-	25,780,414	25,780,414
Gain/(loss) on sale of fixed assets	-	1,582,429	1,582,429
	-	(91,569,998)	(91,569,998)
Net profit before tax	67,008,387	(87,647,124)	(20,638,737)

* Operating expenses have been allocated to Brokerage Income and other than Brokerage Income on the basis of gross revenue, percentage of gross revenue works out at 90% and 10% respectively


Chief Executive Officer


Director


Chairperson

Dated, Dhaka
11 March 2020


A. Qasem & Co.
Chartered Accountants

