

**Auditors' Report
&
Audited Financial Statements
of
BRAC EPL Stock Brokerage Limited
For the year ended 31 December 2015**

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BRAC EPL STOCK BROKERAGE LTD**

We have audited the accompanying financial statements of **BRAC EPL Stock Brokerage Limited**, which comprise the statement of financial position as at 31 December 2015 and the statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSS) 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.


Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BRAC EPL Stock Brokerage Limited as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSS) and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's financial statements dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred were for the purpose of the company's business.

Dated, Dhaka
23 February 2016


A. Qasem & Co.
Chartered Accountants

BRAC EPL Stock Brokerage Limited Statement of Financial Position As at 31 December 2015

Assets	Notes	2015 Taka	2014 Taka
Non-current assets			
Property, plant and equipment	5	32,679,175	44,387,727
Intangible assets	6	4,503,628	10,815,486
Membership at cost	7	11,027,750	11,027,750
Investment in associate company	8	14,754,650	14,284,745
Investment in unquoted securities	9	-	954,795
Investment in zero coupon bond		14,574,678	31,028,121
Investment in DSE & CSE	10	46,009,744	46,009,744
Total non-current assets		123,549,625	158,508,368
Current assets			
Investment in shares	11	104,865,084	46,145,458
Account receivables	12	84,104,347	387,673,142
Receivable from BRAC EPL Investments Limited		11,651,926	2,804,597
Margin loan receivables	13	118,200,928	119,176,705
Advances, deposits and prepayments	14	226,252,622	181,787,643
Other receivables	15	8,730,876	7,883,936
Investment in FDRs	16	230,439,923	201,608,326
Cash and cash equivalents	17	573,277,580	481,580,087
Total current assets		1,357,523,286	1,428,659,893
Total assets		1,481,072,911	1,587,168,261
Equity and liabilities			
Shareholder's equity			
Share capital	18	451,500,000	451,500,000
Retained earnings		182,822,764	103,591,235
Total equity		634,322,764	555,091,235
Current liabilities			
Account payables	19	472,005,327	720,762,140
Investment suspense account	20	46,009,744	46,009,744
Inter-company payables	21	15,620,035	21,301,466
Liability for expenses	22	76,286,478	49,661,325
Provision for income tax	23	236,828,563	194,342,351
Total current liabilities		846,750,146	1,032,077,026
Total equity and liabilities		1,481,072,911	1,587,168,261

The annexed notes 1 to 32 form an integral part of these financial statements.



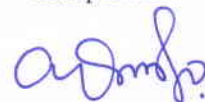
Chief Executive Officer



Director



Chairperson



A. Qasem & Co.
Chartered Accountants

Dated, Dhaka
23 February 2016

BRAC EPL Stock Brokerage Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Revenue	24	361,357,003	278,128,742
Less: Direct expenses	25	80,934,560	23,145,556
Less: Operating expenses	26	215,283,256	212,216,322
Gross profit		65,139,187	42,766,864
Add: Other income	27	85,830,519	75,738,428
Operating profit		150,969,706	118,505,293
Less: Financial expenses	28	2,707,105	2,841,953
Less: Impairment loss	9	954,795	1,030,948
		147,307,806	114,632,391
Share of profit of equity in associate company	8	469,905	516,644
Profit before tax		147,777,711	115,149,035
Less: Income tax expenses	29	68,546,182	62,969,796
Net profit after tax		79,231,529	52,179,240

The annexed notes 1 to 32 form an integral part of these financial statements.



Chief Executive Officer




Director



Chairperson

Dhaka, Dhaka
23 February 2016


A. Qasem & Co.
Chartered Accountants

BRAC EPL Stock Brokerage Limited
Statement of Changes in Equity
For the year ended 31 December 2015

Particulars	Amount in Taka		
	Share capital	Retained	Total
Balance as at 1 January 2014	451,500,000	51,411,997	502,911,997
Net profit for the year ended 2014	-	52,179,238	52,179,238
Balance as at 31 December 2014	451,500,000	103,591,235	555,091,235
Net profit for the year ended 2015	-	79,231,529	79,231,529
Balance as at 31 December 2015	451,500,000	182,822,764	634,322,764



Chief Executive Officer



Director



Chairperson

BRAC EPL Stock Brokerage Limited
Statement of Cash Flows
For the year ended 31 December 2015

	2015	2014
	<u>Taka</u>	<u>Taka</u>
A. Cash flows from operating activities:		
Commission, interest and others received	347,665,199	322,366,238
Payments for creditors and other expenses	(247,616,862)	(189,931,018)
Loans and advances	44,808,167	132,979,023
Cash generated from operating activities	144,856,505	265,414,243
Other income	69,268,785	17,033,584
Income tax paid	(74,074,118)	(65,857,327)
Cash generated used in other operating activities	(4,805,333)	(48,823,743)
Net cash flows from operating activities	140,051,172	216,590,500
B. Cash flows from investing activities:		
Acquisition of fixed assets	(3,955,392)	(5,855,808)
Sale of fixed assets	575,000	-
Redemption/investment in zero coupon bond	16,453,443	18,574,395
Investment in shares	(58,719,626)	(46,105,172)
Net cash flows (used)/from investing activities	(45,646,575)	(33,386,585)
C. Cash flows from financing activities:		
Finance cost	(2,707,105)	(2,841,953)
Net cash used in financing activities	(2,707,105)	(2,841,953)
Net increase in cash and cash equivalents (A+B+C)	91,697,492	180,361,962
Cash and cash equivalents at the beginning of the year	481,580,087	301,218,125
Cash and cash equivalents at the end of the year	573,277,580	481,580,087



Chief Executive Officer



Director



Chairperson

BRAC EPL Stock Brokerage Limited
Notes to the Financial Statements
For the year ended 31 December 2015

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.

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.

3 Basis of preparation of financial statements

3.1 Componentets of the financial statements

The financial staements referred to here comprise:

- a) Statement of Financial Position
- b) Statement of Profit or Loss and Other Comorehensive Income
- c) Statement of Changes in Equitv
- d) Statement of Cash Flows: and
- e) Notes to the Financial statements

3.2 Reporting Period

These financial statements cover one calendar year from 1 January 2015 to 31 December 2015.

3.3 Statement of compliance

The financial statements of the Company have been prepared on going concern basis under the historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs), the Companies Act 1994, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations applicable in Bangladesh.

3.4 Basis of Measurements

The financial statements have been prepared on the historical cost basis 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 pervious years.

3.5 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.

3.6 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.

3.7 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts.

4 Summary of significant accounting policies

4.1 Property, plant and equipment

4.1.1 Recognition

The cost of an item of property, plant and equipments is recognised as an assets if, and only if it 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 & 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 recognised 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 repair and maintenance are charged to income statement during the financial period in which they are incurred.

4.1.2 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	Rates
Office	2%
Furniture	12.50%
Office	15%
Computers	25%
Air cooler	20%
Electrical	20%
Vehicles	20%

4.2 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.

4.3 Investments

- a) Investment in shares have been recognized at market price valued on aggregate basis; and
- b) Stock dividend (bonus shares) are added with existing shares with at zero cost which results decrease in per unit cost price of the exiting shares. However, bonus shares are shown at fair value on the statement of financial position.

4.4 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 (BAS-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 recognise 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.

4.5 Accounting for 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.

4.6 Taxation

a) Current tax :

Current tax has been made on the basis of the Finance Act 2014. Income tax withheld from the transactions of traded securities in accordance with section 53BBB @ 0.05% is the final tax liability 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 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 final settlement of tax liability, therefore, no deferred tax is required.

4.7 Revenue recognition

Revenue comprises of brokerage commission and gain on sale of shares. Details of revenue recognition policy 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) Cash dividend income is recognized on the declaration of dividend and subsequent receipt of such dividend; and
- (iv) Capital gains on sale of shares are recognized upon realization.

4.8 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.

4.9 Recognition & measurement of financial instrument

Financial assets at fair value through profit or loss are assets held for trading that is shown at fair market value as required by BAS-39: Financial Instrument - Recognition & Measurement. As per BAS-39 any fluctuation in the fair market value of the shares/ securities classified as fair value through profit and 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.

4.10 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.

4.11 Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognised as an expenses in the income statement.

4.12 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.

5 Property, plant and equipment

Amount in Taka

Particulars	Cost			Rate (%)	Depreciation				Written down value as at 31 December 2015
	As at 1 January 2015	Additions during the year	Adjust- ment/ disposal	As at 31 December 2015	As at 1 January 2015	Charged during the year	Adjust- ment/ disposal	As at 31 December 2015	
Office floor space	10,472,795	-	-	10,472,795	2	209,460	-	1,100,708	9,372,087
Furniture and fixtures	8,192,791	17,577	-	8,210,368	12.5	1,041,414	-	5,381,907	2,828,462
Office decoration	40,626,579	-	-	40,626,579	15	6,405,972	-	30,056,304	10,570,275
Computers and accessories	23,270,504	1,586,935	-	24,857,439	25	3,916,552	-	21,621,635	3,235,804
Air coolers and ceiling fans	9,144,884	-	-	9,144,884	20	811,660	-	8,793,129	351,755
Electrical and office equipment	14,993,099	792,860	-	15,785,959	20	1,652,401	-	12,753,963	3,031,996
Vehicles	11,306,181	1,558,020	1,164,181	11,700,020	20	1,626,485	1,164,181	8,411,223	3,288,797
Total 2015	118,006,833	3,955,392	1,164,181	120,798,044		15,663,943	1,164,181	88,118,868	32,679,175
Total 2014	112,888,374	5,570,523	(452,064)	118,006,833		18,173,850	(142,557)	73,619,106	44,387,727

	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
6 Intangible assets		
Cost at the beginning of the year	24,498,695	24,213,410
Add: Addition during the year	-	285,285
Cost at the close of the year	<u>24,498,695</u>	<u>24,498,695</u>
Accumulated depreciation at the beginning of the year	13,683,209	6,327,330
Add: Depreciation during the year @ 33.33%	6,311,858	7,355,879
Accumulated depreciation at the end of the year	<u>19,995,067</u>	<u>13,683,209</u>
Carrying amount as at 31 December	<u>4,503,628</u>	<u>10,815,486</u>
7 Membership at cost		
Dhaka Stock Exchange Limited (DSE)	6,920,500	6,920,500
Chittagong Stock Exchange Limited (CSE)	4,107,250	4,107,250
	<u>11,027,750</u>	<u>11,027,750</u>

Pursuant the Exchanges Demutualization Act 2013, Dhaka Stock Exchange and Chittagong Stock Exchange have issued ordinary shares and Trading Right Entitlement Certificate (TREC) license to BRAC EPL Stock Brokerage Limited. The valuation of TREC is yet to be decided. Later if the valuation of TREC is decided, "Membership at cost" will be adjusted accordingly against "Investment Suspense Account" or any other manner as permitted under registration.

8 Investment in associate company
BRAC Asset Management Company Limited

Opening balance	14,284,745	13,768,101
Add: Profit for the year	469,905	516,644
	<u>14,754,650</u>	<u>14,284,745</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 2014 due to pending regulatory approval. BESL's share of the profit of BAMCL for the year 2015 has been recognised in the profit and loss.

9 Investment in unquoted securities

BRAC Impact Ventures Limited		
Opening balance	954,795	1,985,743
Less: Impairment loss	954,795	1,030,948
	<u>-</u>	<u>954,795</u>

During the year 2012, the company, along with other BRAC entities, invested taka 2,500,000 in the shares of BRAC Impact Ventures Limited (BIVL) which represents 12.5% of paid up capital of that company. In 2015, investment in BIVL has been fully impaired as BIVL has been winded up and BESL did not recover its investment.

	2015 <u>Taka</u>	2014 <u>Taka</u>
10 Investments in DSE & CSE		
Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
Chittagong Stock Exchange Limited (CSE)	17,149,320	17,149,320
	<u>46,009,744</u>	<u>46,009,744</u>

As per the provisions of the Exchanges Demutualization Act 2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization scheme, BRAC EPL Stock Brokerage Limited received the following ordinary shares:

Shares issued by	No. of shares	Amount (Taka)
Dhaka Stock Exchange Limited (DSE)	7,215,106	72,151,060
Chittagong Stock Exchange Limited (CSE)	4,287,330	42,873,300
Total	11,502,436	115,024,360

Out of these 11,502,436 shares, 40% shares i.e. 4,600,974 shares has been transferred by both Exchanges to the Company's BO account. Remaining 60% shares i.e. 6,901,462 shares will remain in blocked account for disposal in due course.

Valuation of 40%

40% shares which are transferred in the BO account will be held by the Company as the Company does not have the sale right of these shares. The shares are transferred to the Investment Suspense Account in the absence of any clear guideline in this regard. In future, when the clear guidelines and policies are available, investment suspense account will be adjusted for appropriate accounting treatment.

Valuation of 60% shares:

As per the scheme, 60% shares which will be transferred to the blocked account will be off-loaded in the following manner:

1. 25% shares will be sold to the strategic investors by the both Exchanges.
2. Except shares allotted in favor of strategic investors, shares held in blocked account shall be sold to general public/ institutional investors.
3. The DSE & CSE shall distribute all the sale proceeds of shares held in blocked account to the initial shareholders pro-rata basis periodically as determined by the Exchanges.

11 Investment in shares		
Investment in shares-IPO	1,000	6,000
Investment in shares-Private Placement	-	9,504,000
Investment in shares of listed Companies-Dealer Account	104,864,084	36,635,458
	<u>104,865,084</u>	<u>46,145,458</u>
12 Account receivables		
Clients	66,916,984	112,636,220
Dhaka Stock Exchange Limited (DSE)	17,109,945	269,438,897
Chittagong Stock Exchange Limited (CSE)	77,417	5,598,025
	<u>84,104,347</u>	<u>387,673,142</u>

10 Investments in DSE & CSE

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	2015	2014
	<u>Taka</u>	<u>Taka</u>
13 Margin loan receivables	<u>118,200,928</u>	<u>119,176,705</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)	224,006,088	180,394,087
Deposits (Note-14.2)	988,981	988,981
Prepayments (Note-14.3)	1,257,552	404,574
	<u>226,252,622</u>	<u>181,787,643</u>
14.1 Advances		
Income tax	214,375,711	166,361,563
Office rent	4,845,843	10,613,919
Software system	187,430	862,880
Salary and allowances	574,783	183,937
Other advances	4,022,321	2,371,788
	<u>224,006,088</u>	<u>180,394,087</u>
14.2 Security deposits		
DSE-floor space	850,024	850,024
Depository Participator (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	674,734	311,397
Prepaid VAT	582,818	93,177
	<u>1,257,552</u>	<u>404,574</u>
15 Other receivables		
Other income receivables	8,710,376	7,863,436
Accounts receivable-others	20,500	20,500
	<u>8,730,876</u>	<u>7,883,936</u>

	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
19 Account payables		
Clients	467,532,284	684,049,703
Dhaka Stock Exchange Limited (DSE)	4,111,627	1,880,503
Chittagong Stock Exchange Limited (CSE)	361,416	7,934
Payable to Issuer (IPO)	-	34,824,000
	<u>472,005,327</u>	<u>720,762,140</u>
20 Investment suspense account		
Dhaka Stock Exchange Limited (DSE)	28,860,424	28,860,424
Chittagong Stock Exchange Limited (CSE)	17,149,320	17,149,320
	<u>46,009,744</u>	<u>46,009,744</u>
21 Inter-company payables		
BRAC Bank Limited	12,091,899	14,467,691
BRAC EPL Investment Limited	2,165,292	2,040,932
BRAC IT Services Limited	1,362,844	4,792,844
	<u>15,620,035</u>	<u>21,301,467</u>
22 Liability for expenses		
Performance bonus	31,175,884	27,795,795
Provision for bad debts	13,298,759	1,200,000
CDBL BO maintenance fees	5,499,420	5,322,420
Withholdings tax and VAT	902,684	1,628,512
Bank guarantee commission	1,840,000	2,300,004
Business development expenses	755,462	1,306,022
Legal and professional fees	400,001	400,001
Computer expenses	626,633	552,024
Office rent	224,795	112,745
Audit fee	158,125	123,750
Electricity bills	536,350	421,387
Entertainment expense	137,720	137,720
CDBL charges	1,078,257	802,000
Repair and office maintenance	525,404	254,264
Telephone and mobile bills	428,131	410,849
Utilities and outsources	1,219,806	711,691
Salary and allowance	445,168	445,368
Travelling expense	5,471	5,471
Others	17,028,408	5,731,302
	<u>76,286,478</u>	<u>49,661,325</u>

	2015 Taka	2014 Taka
23 Provision for income tax		
Balance at the beginning of the year	194,342,351	151,280,358
Add: Provision made during the year (Note-26)	68,546,182	62,969,796
Less: Adjustment of tax provision for previous year	26,059,970	19,907,803
	<u>236,828,563</u>	<u>194,342,351</u>
24 Revenue		
Dhaka Stock Exchange (DSE)	312,165,943	262,734,588
Chittagong Stock Exchange (CSE)	4,877,601	7,464,974
Brokerage commission	<u>317,043,544</u>	<u>270,199,562</u>
Realized gain on share	36,427,147	6,187,375
Unrealized gain/(loss) on share	7,886,312	1,741,803
Gain on sale of shares	<u>44,313,459</u>	<u>7,929,178</u>
	<u>361,357,003</u>	<u>278,128,741</u>
25 Direct expenses		
Howla-DSE	9,100	2,438,240
Howla-CSE	93,238	123,472
Laga-DSE	16,134,948	14,273,486
Laga-CSE	230,350	364,351
Trading expense	64,466,924	5,946,007
	<u>80,934,560</u>	<u>23,145,556</u>
<p>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.</p>		
26 Operating expenses		
Administrative expenses (Note-25.1)	183,336,461	179,915,452
Other operating expenses (Note-25.2)	31,946,795	32,300,869
	<u>215,283,256</u>	<u>212,216,322</u>
26.1 Administrative expenses		
Salary and allowances	113,263,444	104,261,266
Office rent and service charges	22,079,128	19,905,668
Depreciation (Note-5)	15,663,943	18,173,850
Internet bills	7,028,327	11,535,823
Outsourcing expenses	10,544,950	9,044,954
CDBL charges	5,267,104	6,121,739
Depreciation of intangible assets (Note-6)	6,311,858	7,355,879
Insurance	778,589	1,796,703
Networking expenses	1,702,707	1,632,129
DSE, CSE and BSEC charges	696,409	87,441
	<u>183,336,461</u>	<u>179,915,452</u>

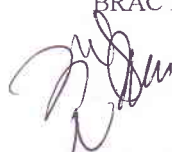
	2015 <u>Taka</u>	2014 <u>Taka</u>
26.2 Other operating expenses		
Utility expenses	3,481,833	3,293,920
Entertainment	2,157,894	3,018,925
Office maintenance	2,450,843	3,424,357
Telephone and mobile bills	2,292,927	2,520,091
Printing and stationery	1,795,337	2,646,055
Business promotional expenses	5,357,424	2,469,426
Advertisement	1,309,155	1,819,389
Fuel and lubricants	2,160,629	1,236,188
Service charge-BRAC Bank Limited	431,071	293,020
Board meeting fees	435,000	315,000
Travel and conveyance	829,034	4,940,016
Postage and courier	371,931	465,897
Professional fees	534,194	487,700
Training and development	1,371,531	1,069,377
Repair and maintenance	4,584,368	1,599,155
Fees and subscriptions	391,567	254,861
News paper, books and periodicals	107,286	139,524
Audit fee	170,903	137,500
Photocopy and photograph	51,657	12,325
Reward and recognition	105,430	-
Other expenses	1,556,781	2,158,143
	<u>31,946,795</u>	<u>32,300,869</u>
 27 Other income		
Interest income (Note-26.1)	54,995,375	60,708,914
Income from zero coupon bond	4,457,878	1,608,886
BO account maintenance fees	12,126,000	15,658,500
Advisory income	13,404,269	10,313,610
BO account opening fees	915,200	2,900,000
Dividend income	4,632,426	499,039
Sale of BO form	192,200	641,900
Annual account maintenance fees	6,926,250	4,082,225
IPO Service Charge	410,605	-
Gain/(loss) on sale of fixed assets	575,000	(229,507)
Others	1,310,032	1,749,301
	<u>99,945,235</u>	<u>97,932,868</u>
Less: BO account	14,114,716	22,194,440
	<u>85,830,519</u>	<u>75,738,428</u>
 Fees		

	2015 <u>Taka</u>	2014 <u>Taka</u>
27.1 Interest income		
Income from bank interest	34,178,836	41,864,957
Income from margin loan	20,816,538	18,843,957
	<u>54,995,375</u>	<u>60,708,914</u>
28 Finance Cost		
Bank guarantee commission	1,840,000	2,300,004
Bank interest, charges and commission	867,105	541,949
	<u>2,707,105</u>	<u>2,841,953</u>
29 Income tax expenses		
Provision for tax on brokerage commission	37,176,979	36,400,247
Provision for tax other than brokerage commission	31,369,203	26,569,549
	<u>68,546,182</u>	<u>62,969,796</u>
30 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	-	13,000,000
b. Approved but not contracted for	-	-
31 Number of employees engaged for drawing remuneration		
i) Up to Taka 3000 per month	-	-
ii) Above Taka 3000 per month	99	107
	<u>99</u>	<u>107</u>

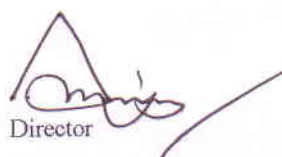
32 Related party transactions

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	Nature of transactions	2015 Taka	2014 Taka
BRAC EPL Investments Limited	Expenses receivable	11,651,926	2,804,597
BRAC Bank Limited	IT services	12,091,899	14,467,691
BRAC EPL Investment Limited	Expenses payable	2,165,292	2,040,932
BRAC IT Services Limited	IT services	1,362,844	4,792,844



Chief Executive Officer



Director



Chairperson

Annexure - A
BRAC EPL Stock Brokerage Limited
Break-down of Profit
For the year ended 31 December 2015

	<u>U/s 82C</u>	<u>Other</u>	<u>Total</u>
Revenue			
Brokerage commission	317,043,544	-	317,043,544
Realised gain on investment in shares	-	36,427,147	36,427,147
Unrealised gain on investment in shares	-	7,886,312	7,886,312
Less: Direct expenses	80,934,560		80,934,560
Operating expenses	215,283,256		215,283,256
	<u>20,825,728</u>	<u>44,313,459</u>	<u>65,139,187</u>
Gross profit		85,830,519	85,830,519
Add: Other income	<u>20,825,728</u>	<u>130,143,978</u>	<u>150,969,706</u>
Operating profit			2,707,105
Less: Financial expenses	2,707,105		
Less: Impairment loss		954,795	954,795
	<u>18,118,624</u>	<u>129,189,183</u>	<u>147,307,806</u>
Share of profit of equity in associate company		469,905	469,905
Profit before tax	<u>18,118,624</u>	<u>129,659,088</u>	<u>147,777,711</u>