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UNICAP SECURITIES LIMITED

A-A Bhaban (9th Floor)
23, Motijheel Dilkusha C/A
Dhaka-1000.

UNICAP SECURITIES LIMITED
INDEPENDENT AUDITOR'S REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS
For the year ended 31 December 2020

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
UNICAP SECURITIES LIMITED**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **UNICAP SECURITIES LIMITED**, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at 31 December 2020, 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 Auditor's 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The 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 auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit or otherwise appears to be materially misstated.



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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other application Laws and Regulation 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 preparation the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to 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 regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

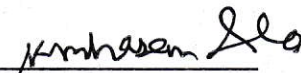
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, We also report the following:

- (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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Place: Dhaka, Bangladesh
Date: 09 May 2021


Md. Shahidul Islam FCA
Partner, Enrol. No.1758
K. M. HASAN & CO.
Chartered Accountants
DVC: 2106021758AS300676

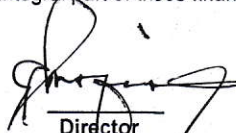


UNICAP SECURITIES LIMITED
Statement of Financial Position
As at 31 December 2020

		2020	2019
		Taka	Taka
Assets			
Current Assets			
Cash and bank balances	4	118,874,361	102,395,672
Receivables from securities trading	5	5,452,952	125,403,162
Receivable from others	6	11,127,626	11,666,835
Receivable from margin clients	7	527,893,330	656,503,331
Proprietary position in securities & other investments	8	580,913,138	565,647,948
Advances, deposits and prepayments	9	8,797,546	25,541,225
Advance income tax	10	370,729,322	349,223,434
Deferred Tax Assets	11	7,996,148	-
		1,631,784,422	1,836,381,606
Non-Current Assets			
Property, plant and equipment	12	6,356,712	12,599,861
Intangible assets	13	-	-
Right of Use of Lease Assets	14	23,775,022	-
TREC holding in stock exchanges	15	9,500,000	9,500,000
Staff loan	16	3,658,720	4,344,488
		43,290,453	26,444,349
Total Assets		1,675,074,876	1,862,825,955
Liabilities and Shareholder's Equity			
Current Liabilities			
Payable to clients	17	119,661,930	212,791,687
Short term business liabilities	18	100,000,000	112,379,406
Payable to exchanges (DSE,CSE)	19	320,978	786,639
Accruals and payables	20	21,898,476	10,982,499
Other liabilities and provisions	21	428,891,276	406,755,731
		670,772,660	743,695,962
Non Current Liabilities			
Long term loan	22	533,246,693	640,119,885
Lease Liability	23	22,023,567	-
Deferred liabilities - employee gratuity	24	11,477,588	8,928,991
		566,747,848	649,048,876
Total Liabilities		1,237,520,508	1,392,744,837
Shareholders' equity			
Share capital	25	500,000,000	500,000,000
Share money deposit		-	-
Retained earnings		(62,445,631)	(29,918,882)
Total Equity		437,554,369	470,081,118
Total Equity and Liabilities		1,675,074,876	1,862,825,955

The annexed notes form an integral part of these financial statement


Chief Executive Officer


Director


Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh
Date: 09 May 2021




K.M. Hasan & Co.
Md. Shahidul Islam FCA
Partner, Enrol. No.1758
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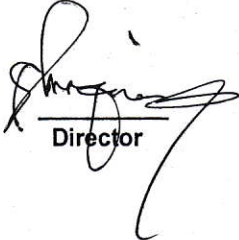
UNICAP SECURITIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

		2020	2019
		<u>Taka</u>	<u>Taka</u>
Revenue			
Brokerage Commission	26	107,029,889	113,745,037
Dividend Income	27	10,583,659	24,635,203
Margin Interest from Client	28	54,387,689	97,747,990
Other Operating Income	29	652,820	870,490
		<u>172,654,057</u>	<u>236,998,720</u>
Cost of Services	30	(13,357,209)	(13,258,471)
Gross Profit		<u>159,296,848</u>	<u>223,740,249</u>
Realized gain/(loss) on Sale of Securities	31	7,824,174	(13,057,242)
Administrative and General Expenses	32	(89,647,066)	(124,808,523)
Financial expenses	33	(98,400,393)	(143,149,788)
Operating Profit		<u>(20,926,438)</u>	<u>(57,275,303)</u>
Other income	34	2,539,086	3,306,527
Profit before Provision		<u>(18,387,352)</u>	<u>(53,968,776)</u>
Less: Provision for Diminution in Value of Investment in Marketable Securities		-	-
less: Provision against Margin Loan		-	-
Net Profit before Tax		<u>(18,387,352)</u>	<u>(53,968,776)</u>
Current Tax	21.3	(22,407,000)	(24,827,204)
Deferred Tax	11	8,267,603	(115,705)
Profit after Tax		<u>(32,526,749)</u>	<u>(78,911,685)</u>
Other Comprehensive Income		<u>(32,526,749)</u>	<u>(78,911,685)</u>

The annexed notes form an integral part of these financial statement



Chief Executive Officer



Director



Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh
Date: 09 May 2021



K.M. Hasan & Co.

Md. Shahidul Islam FCA
Partner, Enrol. No.1758
K. M. HASAN & CO.
Chartered Accountants
DVC: 2106021758AS300676

UNICAP SECURITIES LIMITED
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	Amount in Taka			
	Share Capital	Share money deposit	Retained Earnings/(Losses)	Total
Balance as at 01 January 2020	500,000,000	-	(29,918,882)	470,081,118
Capital Issue				-
Net profit after tax for the year			(32,526,749)	(32,526,749)
Balance as at 31 December 2020	500,000,000	-	(62,445,631)	437,554,369

For the year ended 31 December 2019

Particulars	Amount in Taka			
	Share Capital	Share money deposit	Retained Earnings/(Losses)	Total
Balance as at 01 January 2019	175,000,000	325,000,000	48,992,803	548,992,803
Share money deposit	325,000,000	(325,000,000)		-
Net profit after tax for the year			(78,911,685)	(78,911,685)
Balance as at 31 December 2019	500,000,000	-	(29,918,882)	470,081,118


Chief Executive Officer

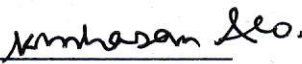

Director


Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka, Bangladesh
Date: 09 May 2021





Md. Shahidul Islam FCA
Partner, Enrol. No.1758
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UNICAP SECURITIES LIMITED
Statement of Cash Flows
For the year ended 31 December 2020

	2020	2019
	Taka	Taka
A Cash flow from operating activities		
Profit/(Loss) before tax	(18,387,352)	(53,968,776)
Adjustment for items not involving movement of cash:		
Depreciation and amortization	6,208,681	3,489,292
Employee- Gratuity	4,277,230	2,829,029
Provision for doubtful losses	-	8,500,000
Provision for diminution in value of investment	-	-
Profit after adjustment	(7,901,442)	(39,150,455)
Changes in working capital components:		
(Increase)/decrease in margin loan to clients	128,610,001	381,770,036
(Increase)/decrease in Right of Use of Lease Assets	(23,775,024)	-
(Increase)/decrease in accounts receivables	120,489,420	18,681,760
(Increase)/decrease in advance income tax	(21,505,887)	(24,308,100)
(Increase)/decrease of advances, deposits and prepayments	16,743,679	3,291,233
(Increase)/decrease of staff loan	685,768	1,917,023
Increase/(decrease) in accounts payable	(93,595,418)	(36,682,841)
Increase/(decrease) in Lease Liability	22,023,567	-
Increase/(decrease) of deferred liability employee gratuity	(1,728,633)	(1,971,257)
Increase/(decrease) of short term loan	(12,379,406)	(80,000,000)
Increase/(decrease) in Provision for write off negative equity	-	-
Increase/(decrease) in liabilities for expenses	10,915,978	(36,863,115)
	146,484,044	225,834,740
Net cash flow/(used) in operating activities	138,582,602	186,684,285
B. Cash flow from investing activities		
Purchase of fixed assets	(329,531)	(6,396,437)
Investment in securities	(15,265,190)	49,847,304
Disposal of fixed assets	364,000	11,685,000
Sale of DSE membership share	-	-
Net cash flow/(used) in investing activities	(15,230,720)	55,135,868
C. Cash flow from financing activities		
Receipt from long term loan	-	-
Repayment of long term loan	(106,873,192)	(231,401,581)
Share money deposit	-	-
Net cash from financing activities	(106,873,192)	(231,401,581)
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	16,478,689	10,418,570
E. Opening cash and cash equivalents	102,395,672	91,977,102
F. Closing cash and cash equivalents	118,874,361	102,395,672


Chief Executive Officer


Director


Chairman

Place: Dhaka, Bangladesh
Date: 09 May 2021



UNICAP SECURITIES LIMITED
Notes to the financial statements
For the year ended 31 December 2020

1. COMPANY AND ITS ACTIVITIES

1.1 Legal status of the Company

Unicap Securities Limited (former SES Company Limited) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-29454(742)/95 dated 9 October 1995 under the Companies Act, 1994 as a private limited company. The registered office of the Company situated at Richmond Concord (6th Floor), 68 Gulshan Avenue, Gulshan 01, Dhaka-1212, Bangladesh.

1.2 Principal activities of the Company

Principal activities of the Company is to carry out business of investments in shares and brokerage and dealing of securities under the license from the Bangladesh Securities & Exchange Commission. The Company having membership at both Dhaka and Chittagong Stock Exchange Limited (membership number 163 and 082 respectively) and also full service depository participant of CDBL.

2. BASIS OF PREPARATION

2.1 Components of the financial statements

The financial statements have been prepared with due consideration of International Financial Reporting Standards. The financial statements comprises of the following as complied with International Accounting Standards 1:

- a) Statement of financial position
- b) Statement of Profit or loss and other comprehensive income
- c) Statement of cash flows
- d) Statement of changes in equity
- e) Notes to the financial statements

2.2 Statement of compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, Bangladesh Securities and Exchange Commission Rule 1987 and other applicable laws and regulations.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments in stock exchanges which are measured at fair value.

2.4 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

2.5 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. The most significant areas where estimates and judgments have been made are on valuation of investments and taxation.

2.6 **Going concern basis**

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

2.7 **Reporting period**

The Financial Statements of the Company covers the period from 1 January 2020 to 31 December 2020.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 **Revenue recognition**

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the International Financial Reporting Standards (IFRSs) 15 "Revenue From Contracts With Customers".

3.2 **Property, plant and equipment**

3.2.1 **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

3.2.2 **Subsequent costs**

The cost of replacing part of an item of property, plant 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 cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.2.3 **Depreciation**

Depreciation is charged to property, plant and equipment on a straight line basis at rates varying from 10% to 33.33% in order to write them off over their useful economic life.

3.3 **Intangible assets**

3.3.1 **Recognition and measurement**

Computer software acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization.

3.3.2 **Subsequent costs**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss when incurred.

3.3.3 Amortization of intangible assets

Intangible assets are amortized at the rate of 33% on straight line method.

3.4 Investment in listed securities

Investment in quoted shares and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to acquisition of shares. After initial recognition investment in quoted shares has been reported at cost at reporting date.

Required provision has been made for impairment when the market value of investments fall below the cost as per BSEC/CMRRCD/2009-193/203, dated on 28 December 2017, stock dealer can make the said provision for unrealised loss in five installments on quarterly basis within 31 December 2022.

3.5 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held with banks and financial institution and short term liquid investments that are readily convertible to known amount of cash and that are subject to insignificant risk of change in value.

3.6 Howla and CDBL charges

The charges of stock exchanges booked on daily basis as per trading after receiving the trading note and Central Depository Bangladesh Ltd. (CDBL) booked on monthly basis, after receiving the bill from CDBL.

3.7 Borrowing costs

Borrowing cost is charged to profit and loss account as per International Accounting Standard 23: Borrowing cost.

3.8 Bad debt

3.8.1 Provision for bad debts

The Company creates provision for doubtful debts on yearly basis considering collection during the year and value of shares held as security.

3.8.2 Recovery of bad debts

Any recovery is adjusted with the provision for bad debts in the period of recovery.

3.9 Corporate tax

3.9.1 Current tax

Income tax expense is recognized in Statement of Profit or Loss and Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Corporate tax rate is 32.5% as per the Finance Act 2020.



3.9.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset/liabilities is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets/liabilities is reviewed at each reporting date and are reduced to the extent that it is probable that the related tax benefit will be realized.

3.10 Gratuity scheme

The Company operates a gratuity scheme to retain and motivates its employees for long term retention. Gratuity scheme is applicable for all its permanent employees who have completed their continuous service at least for five years. Provision for gratuity is made annually based on terms of gratuity scheme.

3.11 Provision against unrealized loss in shares and Margin Loan

As per directive no. BSEC/SRI/POLICY/3/2020/68 dated 12 January 2020 of Bangladesh Securities and Exchange Commission extended the time of provision may be made for unrealized loss arising out of year-end revaluation of shares purchased as dealer and unrealized loss as margin loan upto 31 December 2022.

3.12 Related Party Disclosures

As per International Accounting Standards (IAS)-24 "Related Party Disclosures", parties are

Name of Shareholder	Relationship	Nature	Amount (Tk.)
Union Capital Ltd.	Shareholder	Loan	342,379,406

3.13 General

- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Company.
- Figures of previous period have been rearranged whenever necessary to conform to current periods presentation.



	2020 <u>Taka</u>	2019 <u>Taka</u>	
4 Cash and cash equivalents			
Cash in hand	25,000	25,000	
Cash at Bank (Note-4.1)	118,849,361	102,370,672	
	<u>118,874,361</u>	<u>102,395,672</u>	
4.1 Cash at Bank			
Standard Chartered Bank (SND A/C No.02-6092357-02)	110,771,030	98,323,671	
Standard Chartered Bank (CD A/C No.01-6092357-02)	138,895	2,348,978	
Standard Chartered Bank (CD A/C No.01-6092357-03)	9,310	10,000	
NRB Bank Ltd. (SA A/C No. 1081030011623)	5,871,440	760,214	
Prime Bank Ltd. (CD A/C No. 10411090003465)	236,888	236,888	
Dhaka Bank Ltd. (FDR A/C No.020131300002637)	258,513	258,513	
Farmers Bank Ltd. (CD A/C No. 0111100005822)	32,427	33,117	
Midland Bank Ltd. (CD A/C No. 0011-1050000174)	1,000	1,000	
Shahjalal Islami Bank Ltd.(CD A/C No.400511100008700)	531,301	55,988	
Rupali Bank Ltd. (CD A/C No. 200021367)	9,545	9,545	
Bank A/C # NRB Bank- Capital Issue-1081030024647	40,142	64,254	
Bank A/C # SCB-01-6092357-04	723,826	110,351	
Bank A/C # SCB 01-6092357-05	225,045	158,153	
	<u>118,849,361</u>	<u>102,370,672</u>	
5 Receivables from securities trading			
Dhaka Stock Exchange Limited	5,170,057	122,105,064	
Chittagong Stock Exchange Limited	282,896	3,298,098	
	<u>5,452,952</u>	<u>125,403,162</u>	
6 Receivable from others			
Receivable from Union Capital Ltd.	2,756,059	3,432,638	
Dividend income receivable	8,371,567	8,234,197	
	<u>11,127,626</u>	<u>11,666,835</u>	
7 Receivable from margin clients			
Receivable against margin loan	<u>527,893,330</u>	<u>656,503,331</u>	
8 Proprietary position in securities & other investments			
Investment in Mutual Fund (Note-8.1)	252,311,885	245,228,189	
Investment in listed securities (Note-8.2)	313,101,253	305,419,759	
Investment in non-listed unit fund (Note-8.3)	15,500,000	15,000,000	
	<u>580,913,138</u>	<u>565,647,948</u>	
8.1 Investment in Mutual Fund			
CAPMBDBLMF	1,440,000	1,556,331	-
NCCBLMF1	2,492,000	2,470,363	-
VAMLBDMF1	1,320,000	1,423,432	-
EBLNRBMF	997,500	1,286,928	-
IFIC1STMF	915,000	1,096,643	-
LR Global BD Mutual Fund One	167,381,333	244,478,189	244,478,189
CAPM IBBL Islamic MF	-	-	750,000
	<u>174,545,833</u>	<u>252,311,885</u>	<u>245,228,189</u>



		2020 <u>Taka</u>	2019 <u>Taka</u>
8.2 Investment in listed securities			
	Market value	Cost value	Cost value
Bank	6,866,135	9,370,108	10,249,099
Cement	10,472,000	39,935,000	39,935,000
Engineering	71,437,235	83,784,496	77,926,457
Fuel & Power	25,881,851	47,750,419	21,838,823
IT Sector	-	-	768,219
Pharmaceuticals	29,800,720	45,476,641	61,677,007
Power	-	-	29,743,653
Textile	19,744,706	35,224,652	35,964,903
Travel & Leisure	147,522	17,773	37,319
Financial Institutions	22,490,000	27,261,094	22,219,000
Telecommunication	14,620,138	9,965,796	-
Manufacturing	-	-	-
Foods and Allied	14,996,160	14,206,493	-
Insurance	428,593	108,780	-
Miscellaneous	-	-	5,060,279
	<u>216,885,059</u>	<u>313,101,253</u>	<u>305,419,758</u>
8.3 Investment in non-listed unit fund			
Ekush First Unit	3,768,000	3,000,000	-
CWT Sadharan Bima-GF	3,000,000	2,500,000	-
Unit fund of Esquire ICL Apparel	-	-	2,500,000
Unit fund of Zenith Annual Income	-	-	2,500,000
Unit fund of CWT Emerging BD FGF	3,500,000	2,500,000	2,500,000
Unit fund of Capitec Popular Life Unit Fund	7,875,000	7,500,000	7,500,000
	<u>18,143,000</u>	<u>15,500,000</u>	<u>15,000,000</u>
9 Advances, deposits and prepayments			
Office Rent		3,780,166	7,967,281
Share Purchase		211,664	11,832,914
DSE floor space etc		20,000	870,024
Office decoration		-	30,000
Expenses		282,110	380,700
Software Development Leadssoft		300,000	300,000
Prepaid Insurance-Vehicle		71,919	104,249
Security Deposit:			
Loan (advance installment)		3,339,205	3,422,475
CDBL		100,000	100,000
DSE		75,000	75,000
CSE		30,000	30,000
Others		587,482	428,582
		<u>8,797,546</u>	<u>25,541,225</u>
10 Advance income tax			
Balance at the beginning of the year		349,223,434	324,915,334
Add: Addition during the year		21,505,888	24,308,100
		<u>370,729,322</u>	<u>349,223,434</u>
Less: Adjustment made during the year		-	-
		<u>370,729,322</u>	<u>349,223,434</u>



	2020 <u>Taka</u>	2019 <u>Taka</u>
11 Deferred Tax Assets		
Deferred tax assets (Note-11.1)	<u>7,996,148</u>	<u>-</u>

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12.

11.1 Deferred tax asset is arrived at as follows:

	Carrying amount at balance sheet date	Tax base at balance sheet date	(Taxable)/ deductible temporary difference
Assets Fixed assets net of depreciation	6,356,712	21,234,110	14,877,399
Assets Right of Use of Lease Assets	23,775,022	-	(23,775,022)
Liabilities Employee gratuity fund	11,477,588	-	11,477,588
Liabilities Lease Liability	22,023,567	-	22,023,567
	<u>41,609,321</u>	<u>21,234,110</u>	<u>24,603,532</u>
Applicable tax rate			32.5%
Deferred tax assets/(Liabilities) as on December 31,2020			7,996,148
Deferred tax assets/(liabilities) as on December 31,2019			(271,455)
Deferred tax expense/(income) during the period 2020			(8,267,603)

12 Property, Plant and Equipment

Office decoration and renovation	23,622,135	23,292,604
Furniture and fixtures	1,726,993	2,090,993
Office equipment	16,485,489	16,485,489
Cell phone	59,900	59,900
Motor vehicle	5,500,000	5,500,000
	<u>47,394,517</u>	<u>47,428,986</u>
Less: Accumulated depreciation (Annexure-A)	41,037,805	34,829,125
	<u>6,356,712</u>	<u>12,599,861</u>

13 Intangible assets

Systems & Software	-	1,924,800
Less: Accumulated amortization (Annexure-A)	-	1,924,800
	<u>-</u>	<u>-</u>

14 Right of Use of Lease Assets

Right of Use of Lease Assets Rent	37,263,888	-
	<u>37,263,888</u>	<u>-</u>
Less: Accumulated depreciation (Annexure-A)	13,488,867	-
	<u>23,775,021</u>	<u>-</u>

15 TREC holding in stock exchanges.

Investment in DSE*	4,500,000	4,500,000
Investment in CSE*	5,000,000	5,000,000
	<u>9,500,000</u>	<u>9,500,000</u>

Investment in DSE & CSE shares has been shown at cost in the financial statement.



	2020	2019
	<u>Taka</u>	<u>Taka</u>
21 Other liabilities and provisions		
Provision for diminution in value of investments (Note- 21.1)	12,788,812	12,788,812
Provision for negative equity (Note- 21.2)	37,984,381	37,984,381
Provision for corporate income tax (Note- 21.3)	378,118,083	355,711,083
Deferred tax liabilities (Note- 21.4)	-	271,455
	<u>428,891,276</u>	<u>406,755,731</u>
21.1 Provision for diminution in value of investments		
Opening balance	12,788,812	12,788,812
Add: Addition during the year	-	-
Closing balance	<u>12,788,812</u>	<u>12,788,812</u>
21.2 Provision for negative equity		
Opening balance	37,984,381	29,484,381
Add: Addition during the year	-	8,500,000
Less: Adjustment during the year	-	-
Closing balance	<u>37,984,381</u>	<u>37,984,381</u>
21.3 Provision for corporate income tax		
Opening balance	355,711,083	330,883,879
Add: Income Tax expense	22,407,000	24,827,204
Closing balance	<u>378,118,083</u>	<u>355,711,083</u>
21.4 Deferred tax liabilities		
Opening balance	271,455	155,750
Adjustment for the year	(271,455)	115,705
Closing balance	<u>-</u>	<u>271,455</u>
22 Long term loan		
Opening balance	640,119,885	871,521,466
Add: Addition during the year	-	-
	<u>640,119,885</u>	<u>871,521,466</u>
Less: Repayment during the year	106,873,192	231,401,581
Closing balance	<u>533,246,693</u>	<u>640,119,885</u>
This represents loan taken from various banks and financial institutions repayable in monthly/quarterly installments.		
23 Lease Liability		
Lease Liability of Rent	22,023,567	-
	<u>22,023,567</u>	<u>-</u>
24 Deferred liabilities - employee gratuity		
Opening balance	8,928,991	8,071,219
Add: Addition during the year	4,277,230	2,829,029
	<u>13,206,221</u>	<u>10,900,248</u>
Less: Paid during the year	1,728,633	1,971,257
Closing balance	<u>11,477,588</u>	<u>8,928,991</u>



		2020 <u>Taka</u>	2019 <u>Taka</u>
25 Share capital			
Authorized capital			
5,000,000 Ordinary Shares of Tk. 100/- each.		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital			
Ordinary Share capital			
Paid-up Capital 5,000,000 shares of Tk.100/- each, fully paid.		<u>500,000,000</u>	<u>500,000,000</u>
<u>Name of shareholder</u>	No of share		
Union Capital Limited	4,999,999	499,999,900	499,999,900
Barrister Moniruzzaman Khan	1	100	100
	<u>5,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>



	2020 <u>Taka</u>	2019 <u>Taka</u>
26 Brokerage commission		
Brokerage commission from DSE	106,573,017	112,454,104
Brokerage commission from CSE	456,872	1,290,934
	<u>107,029,889</u>	<u>113,745,037</u>
27 Dividend income		
From Investment in Shares (Dealer A/C)	9,644,159	24,142,253
From Strategic Investment for Selling 25% of shares	737,175	359,000
From Investment in shares-ICB Fund	202,325	133,950
	<u>10,583,659</u>	<u>24,635,203</u>
28 Margin Interest from Client		
Margin Interest from Client	<u>54,387,689</u>	<u>97,747,990</u>
Interest on margin loan		
This represents interest income earned on margin loan extended both individual and corporate clients as per BSEC Margin Rules 1999 for purchase of listed securities. The interest rate on margin loan ranges from 14.00%-16.50%.		
29 Other Operating Income		
BO A/C opening fee	138,500	45,500
BO A/C maintenance fee	455,500	741,900
Income from IPO Application	58,820	83,090
	<u>652,820</u>	<u>870,490</u>
30 Cost of Services		
Laga charges	9,631,198	9,408,504
Howla charges	-	289,732
CDBL expense	3,726,011	3,560,235
	<u>13,357,209</u>	<u>13,258,471</u>
31 Realized gain/(loss) on Sale of Securities		
Gain/(Loss) from Investment in Shares(Dealer A/C)	(1,971,328)	(13,514,757)
Gain/(Loss) from Strategic Investment for Selling 25%	8,289,155	329,059
Gain/(Loss) from investment in shares-ICB Fund	1,506,348	128,456
	<u>7,824,174</u>	<u>(13,057,242)</u>
32 Administrative and General Expenses		
Salaries and other employees benefits (Note-32.1)	61,090,183	73,994,799
Rent, taxes, insurance and electricity (Note-32.2)	(1,688,385)	25,312,002
Postage, stamp and telecommunication (Note-32.3)	2,591,847	3,097,757
Stationery, printing, advertisements, etc (Note-32.4)	457,831	477,326
Auditors' fee (Note-32.5)	126,500	126,500
Depreciation and repair of assets (Note-32.6)	20,061,548	9,599,466
Other expenses (Note-32.7)	7,007,543	12,200,673
	<u>89,647,066</u>	<u>124,808,523</u>



	2020	2019
	<u>Taka</u>	<u>Taka</u>
32.1 Salaries and other employees benefits		
Salaries and allowances	51,209,226	63,949,521
Other benefits	9,880,957	10,045,278
	<u>61,090,183</u>	<u>73,994,799</u>
32.2 Rent, taxes, insurance and electricity		
Office rent, rates and taxes	(3,079,928)	22,681,945
Insurance	113,892	367,416
Power and electricity	1,277,651	2,262,640
	<u>(1,688,385)</u>	<u>25,312,002</u>
DISCLOSURE RELATED TO RENT, RATE AND TAXES:		
Actual rent expenses		
Less: Reclassification of rent expenses (as per IFRS 16:)		
Rent, taxes, insurance and electricity	16,447,221	22,681,945
	<u>16,447,221</u>	<u>22,681,945</u>
32.3 Postage, stamp and telecommunication		
Postage and stamp	13,701	24,546
Telegram, telex, fax and e-mail	1,525,260	1,925,677
Telephone and mobile	1,052,886	1,147,534
	<u>2,591,847</u>	<u>3,097,757</u>
32.4 Stationery, printing, advertisement, etc		
Printing and stationery	423,331	391,706
Advertisement and publicity	34,500	85,620
	<u>457,831</u>	<u>477,326</u>
32.5 Auditors' fee		
Audit Fee	110,000	110,000
VAT on fee	16,500	16,500
	<u>126,500</u>	<u>126,500</u>
32.6 Depreciation and repair of assets		
Depreciation of fixed assets-freehold	6,572,681	9,319,997
Depreciation on Lease Rent	13,488,867	-
Amortisation of intangible assets	-	279,469
	<u>20,061,548</u>	<u>9,599,466</u>
32.7 Other expenses		
Travelling and conveyance	2,136,180	2,334,520
Office maintenance	2,344,345	1,677,571
Service charge-Bloomberg	-	3,199,939
Entertainment	725,998	2,518,287
Bank Charges and Excise Duty	198,824	88,925
Subscription, renewal and registration fees	1,272,506	850,473
Motor vehicle expenses	305,038	1,190,758
Board meeting	-	291,900
Books, magazines, newspapers, etc	24,652	48,301
	<u>7,007,543</u>	<u>12,200,673</u>

	<u>2020</u> <u>Taka</u>	<u>2019</u> <u>Taka</u>
33 Financial expenses		
This represents interest expense incurred for the loan received from various Banks/Financial Institutions for the purpose of business operations of the company as noted below:		
On term loans:		
Union Capital Ltd	56,521,225	65,736,317
Hajj Finance Company Ltd	15,000,600	20,255,065
Shahjalal Islami Bank Ltd	8,479,636	13,733,396
Premier Leasing & Finance Ltd	6,457,463	16,819,303
Midland Bank Ltd	4,862,050	7,908,826
Bangladesh Finance & Investment Company Ltd	16,830	154,755
Investment Corporation of Bangladesh	318,188	164,586
Phoenix Finance and Investments Ltd	5,537,501	18,377,539
Interest on Lease Rent	1,206,900	-
	<u>98,400,393</u>	<u>143,149,788</u>

34 Other income		
Miscellaneous income	1,895,778	283,653
Interest on staff loan	284,408	252,103
Interest on bank deposit	358,900	413,798
Gain/ (Loss) on disposal of fixed assets	-	2,356,974
	<u>2,539,086</u>	<u>3,306,527</u>

35 Events After The Balance Sheet Date

The Board of the Directors in its 111th Board meeting held on 09 May 2021 recommended no dividend for the year ended 31 December 2020.

36 Approval of The Financial Statements

These financial statements were authorised for issue by the Board of Directors of the Company in its 111th Board meeting held on 09 May 2021.


Chief Executive Officer


Director


Chairman

Place: Dhaka, Bangladesh

Date: 09 May 2021



UNICAP SECURITIES LIMITED
Schedule of Tangible Property, Plant and Equipment
As at 31 December 2020

Particulars	Cost			Rate	Depreciation			Written down value as at 31 Dec 2020
	Opening balance 01 Jan 2020	Addition during the year	Adjustment during the year		Total cost	Charged during the year	Adjustment during the year	
Office decoration and renovation	23,292,604	329,531	-	23,622,135	33%	3,500,905	21,279,601	2,342,594
Furniture and fixtures	2,090,993	-	364,000	1,726,993	20%	231,828	1,245,746	481,247
Office equipment	16,485,489	-	-	16,485,489	20%	2,473,280	12,952,578	3,532,911
Cell phone	59,900	-	-	59,900	20%	-	59,880	20
Motor vehicle	5,500,000	-	-	5,500,000	20%	366,668	5,500,001	(1)
Total as at 31 December 2020	47,428,986	329,531	364,000	47,394,517		6,572,681	41,037,805	6,356,712
Total as at 31 December 2019	52,717,549	6,396,437	11,685,000	47,428,986		9,319,997	34,829,125	12,599,861

Schedule of Lease Rent Asset
As at 31 December 2020

Particulars	Cost			Rate	Depreciation			Written down value as at 31.12.2020
	Opening balance 01 Jan 2020	Addition during the year	Adjustment during the year		Total cost	Charged during the year	Adjustment during the year	
Right of Use of Lease Assets	-	37,263,888	-	37,263,888		13,488,867	13,488,867	23,775,021
Total as at 31 December 2020	-	37,263,888	-	37,263,888		13,488,867	13,488,867	23,775,021

Schedule of Intangible Asset
As at 31 December 2020

Particulars	Cost			Rate	Amortization			Written down value as at 31.12.2020
	Opening balance 01 Jan 2019	Addition during the year	Adjustment during the year		Total Cost	Charged during the year	Adjustment during the year	
Systems & Software	1,924,800	-	-	1,924,800	33%	-	1,924,800	-
Total as at 31 December 2020	1,924,800	-	-	1,924,800		-	1,924,800	-
Total as at 31 December 2019	1,924,800	-	-	1,924,800		279,469	1,924,800	-

Annexure- B

UNICAP SECURITIES LIMITED
Proprietary position in securities & other investments
As at 31 December 2020

Particulars	Cost value	Market value
Investment in Shares (Dealer)	524,361,784	352,629,918
Investment in Shares (Strategic Investment-Dhaka Stock Exchange Ltd.)	44,441,687	45,518,363
Investment in Shares Fund of ICB	12,109,667	11,425,610
Total	580,913,138	409,573,892

