

UFS-Bank Asia Unit Fund

For the year ended December 31, 2019



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Independent Auditors' Report

To the Trust Board of

UFS-Bank Asia Unit Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UFS-Bank Asia Unit Fund** as at **December 31, 2019**, 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 and other explanatory information disclosed in notes 01 to 24 and Annexure - A to D.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Fund as at **December 31, 2019**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1 and Securities and Exchange Commission (Mutual Fund) Rules 2001 and other applicable rules and regulations.

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 this report. We are independent of the Fund 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We would like to report that as explained in note - 24 to the accompanying financial statements.

Other Information

Assets Manager is responsible for the other information. The other information comprises the information included the Annual report, but not included the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form 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 information is materially inconsistent with financial statements or our knowledge obtain in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

Our key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.



This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Risk	Our response to the risk
Investment in securities - at market price	
Refer note no. 04 and 05 to the Statement of Financial Position	
<ul style="list-style-type: none"> The investments of the fund comprise 43% of total Assets. These investments comprise of 1) Marketable Investments at market value; and 2) Investment in IPO. These investments are valued at fair value based on market information. Therefore, the valuation of the investments has a significant impact on the financial results of the Fund. 	<p>Our procedure includes:</p> <p>Control test: testing the effectiveness of the entity's control around the recording and re-assessment of the amount of Investment in securities -at market price</p> <p>Test of details:</p> <ul style="list-style-type: none"> Determining the existence of the investments by obtaining a Statement of Central Depository of Bangladesh Limited (CDBL). The custodian of demits shares in Bangladesh. Determining that the used price is based on the method which is defined for the relevant investment category. We performed this procedure by comparing the used valuations of the investments with our independent valuation which is based on observable market prices. In performing these procedures we have used our valuation specialists. Recoverability determined by applying subsequent test of realization of income and investment <p>Assessing disclosure: considering the adequacy of the entity's disclosure regarding Investment in securities -at market price.</p> <p>Our result: the result of our testing is satisfactory and we considered the investment in securities -at market price to be acceptable and recorded in correctly.</p>

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

The Fund has no employees and its portfolio management, risk management, and registration of subscriptions and redemptions are therefore performed by Universal Financial Solutions Limited (UFS). The financial administration, and the investment and shareholders administration are outsourced to Investment Corporation of Bangladesh (ICB) trust and Universal Financial Solutions Limited (UFS) is responsible for monitoring these processes as The Asset Management Company (AMC).



Assets Manager (UFS) is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 2.1, 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. Securities and Exchange Commission (Mutual Fund) Rules 2001 require the Assets Manager to ensure investment policy, internal control and risk management functions of the Funds.

In preparing financial statements, Assets Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting Assets Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 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 judgment 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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 auditors' 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

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 accounts as required by law have been kept by the Fund so far as it appeared from our examination of these 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 Fund business.

Dated: Dhaka
January 23, 2020



Rahman Mostafa Alam & Co.
Chartered Accountants





UFS-Bank Asia Unit Fund
Statement of Financial Position
As at December 31, 2019

Particulars	Notes	Amount in Taka	
		December 31, 2019	December 31, 2018
Assets			
Investments in listed securities at market value	4.0	75,563,978	34,306,429
Investment in IPO	5.0	1,502,340	2,567,450
Advances, deposits and prepayments	6.0	205,473	1,425,000
Preliminary expenses	7.0	12,765,286	15,030,395
Receivables	8.0	1,030,268	227,930
Cash and cash equivalents	9.0	86,751,898	242,195,618
Total Assets (A)		177,819,243	295,752,823
Liabilities			
Accounts payables	10.0	110,350	384,051
Total Liabilities (B)		110,350	384,051
Net Assets (A-B)		177,708,893	295,368,773
Equity			
Capital fund	11.0	190,035,000	300,025,000
Unit transaction reserve	12.0	2,479,955	(45)
Investment diminution reserve		-	125,081
Retained earning/loss		(14,806,062)	(4,781,263)
Total Equity		177,708,893	295,368,773
Total no. of unit of the fund		19,003,500	30,002,500
Net Asset Value (NAV) per unit			
At cost value	13.0	10.25	9.84
At market value	14.0	9.35	9.84

The annexed notes 1 to 24 and annexure A to D form an integral part of this financial statements.


Asset Manager
Universal Financial Solutions Limited


Chairman, (Trustee)
Investment Corporation of Bangladesh (ICB)

Signed in terms of our separate report of even date.

Dated: Dhaka
January 23, 2020




Rahman Mostafa Alam & Co.
Chartered Accountants



UFS-Bank Asia Unit Fund
Statement of Profit or loss and Other Comprehensive Income
For the year ended December 31, 2019

Particulars	Notes	Amount in Taka	
		January 01, 2019 to December 31, 2019	October 01, 2018 to December 31, 2018
Income			
Profit on sale of investment	15.0	6,522,953	377,742
Interest income	16.0	8,463,887	597,722
Dividend income	17.0	1,649,723	227,930
Total Income		16,636,563	1,203,394
Expenses			
Management Fees	18.0	4,802,994	2,441,207
Selling's, distribution and promotional expenses	19.0	-	2,191,800
Amortization of preliminary expenses		2,265,109	825,369
Brokerage fees		184,547	69,107
Printing and publications expenses		338,664	11,250
CDBL connectivity fee		12,244	13,669
Other expenses	20.0	1,313,574	69,646
IPO subscription fee		15,000	44,000
Trustee fees		364,835	185,765
CDBL fees		40,950	112,845
Diminution of advance and prepayments	21.0	193,121	-
Custodian fees		52,597	-
Audit fees		20,000	20,000
Total Expenses		9,603,636	5,984,658
Profit earned before provision		7,032,927	(4,781,263)
Provision		(17,057,726)	-
Profit earned after provision		(10,024,799)	(4,781,263)
Unrealized gain on securities		-	125,081
Total profit and other comprehensive income during the year		(10,024,799)	(4,656,182)
Total distributable profit		(10,024,799)	(4,781,263)
Number of units outstanding		19,003,500	30,002,500
Earning per unit during the year			
Before provision	22.0	0.26	(0.29)
After provision	22.0	(0.37)	(0.28)

The annexed notes 1 to 24 and annexure A to D form an integral part of this financial statements.


Asset Manager
Universal Financial Solutions Limited


Chairman, (Trustee)
Investment Corporation of Bangladesh (ICB)

Signed in terms of our separate report of even date.

Dated: Dhaka
January 23, 2020




Rahman Mostafa Alam & Co.
Chartered Accountants



UFS-Bank Asia Unit Fund
Statement of Changes in Equity
For the year ended December 31, 2019

Particulars	Capital fund	Retained earnings	Investment Diminution reserve	Units transaction reserve	Total
Balance at January 01, 2019	300,025,000	(4,781,263)	125,081	(45)	295,368,773
Subscribed by unit holders	10,000				10,000
Surrender by unit holder	(110,000,000)				(110,000,000)
Net profit/(loss) before provision during the year		7,032,927			7,032,927
Units transaction reserve				2,480,000	2,480,000
Provision against marketable investment		(17,057,726)	(125,081)		(17,182,808)
Balance at December 31, 2019	190,035,000	(14,806,062)	-	2,479,955	177,708,893

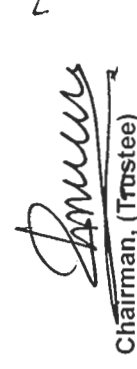
Particulars	Capital Fund	Retained earnings	Investment diminution reserve	Units transaction reserve	Total
Balance at October 01, 2018					-
Subscribed by unit holders	400,025,000				400,025,000
Surrender by unit holder	(100,000,000)				(100,000,000)
Net profit/(loss) during the year		(4,781,263)			(4,781,263)
Units transaction reserve				(45)	(45)
Investment Diminution reserve			125,081		125,081
Balance at December 31, 2018	300,025,000	(4,781,263)	125,081	(45)	295,368,773

The annexed notes 1 to 24 and Annexure A to D form an integral part of this financial statements.


Asset Manager

Universal Financial Solutions Limited




Chairman, (Trustee)


Investment Corporation of Bangladesh (ICB)



UFS Bank Asia Unit Fund
Statement of Cash Flows
For the year ended December 31, 2019

Particulars	Amount in Taka	
	December 31, 2019	December 31, 2018
Cash flows from operating activities:		
Advance and prepayments	(205,473)	(1,425,000)
Interest income	8,463,887	742,358
Dividend income	619,455	-
Receivable actualized	227,930	-
Liabilities pay off	(384,051)	-
Profit from sale of investments	6,522,953	377,742
Payment made for expenses	(7,228,175)	(4,775,238)
Net cash from/(used in) operating activities (A)	8,016,526	(5,080,138)
Cash Flows from investing activities:		
Securities buy	(70,205,911)	(34,425,019)
Securities sell	16,898,065	243,670
Preliminary and Issue expenses	-	(16,000,400)
Investment in IPO	(2,642,400)	(2,567,450)
Net cash used in investing activities (B)	(55,950,246)	(52,749,199)
Cash Flows from financing activities:		
Proceed from capital fund	10,000	400,025,000
Unit redeemed during the year	(110,000,000)	(100,000,000)
Units transaction reserve	2,480,000	(45)
Net cash from/(used in) financing activities (C)	(107,510,000)	300,024,955
Net increase/(decrease) in cash and cash equivalents (D=A+B+C)	(155,443,720)	242,195,618
Opening cash and cash equivalents (E)	242,195,618	-
Closing cash and cash equivalents (D+E)	86,751,898	242,195,618
Net Operating Cash Flow Per Unit (NOCFPU)	0.30	(0.31)


Asset Manager
Universal Financial Solutions Limited


Chairman, (Trustee)
Investment Corporation of Bangladesh (ICB)





UFS Bank Asia Unit Fund
Schedule of Marketable Investments
As at December 31, 2019

Annexure-A

SI No	Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Market Price/Unit	Total Market Price	Unrealized Gain/(Loss)
1	Pharmaceuticals	ACTIVEFINE	95,200	33.63	3,201,521	14.70	1,399,440	(1,802,081)
2	Fuel and Power	BARKAPOWER	257,124	29.94	7,698,457	22.70	5,836,715	(1,861,742)
3	Engineering	BBSCABLES	99,550	83.16	8,278,310	58.80	5,853,540	(2,424,770)
4	Bank	BRACBANK	233,691	61.36	14,339,819	57.10	13,343,756	(996,062)
5	Engineering	BSRMLTD	27,500	72.55	1,995,051	48.80	1,342,000	(653,051)
6	Pharmaceuticals	BXPHARMA	113,605	81.68	9,279,795	69.40	7,884,187	(1,395,608)
7	Bank	CITYBANK	306,119	25.15	7,698,454	21.10	6,459,113	(1,239,341)
8	Engineering	COPPERTECH	12,499	9.52	119,040	23.50	293,727	174,687
9	Fuel and Power	DOREENPWR	66,500	71.88	4,779,795	58.90	3,916,850	(862,945)
10	Telecommunication	GP	42,503	362.52	15,408,269	285.80	12,147,357	(3,260,912)
11	Textile	NEWLINE	20,844	9.35	194,810	14.80	308,491	113,681
12	Food and Allied	OLYMPIC	20,400	216.58	4,418,320	165.00	3,366,000	(1,052,320)
13	Pharmaceuticals	RENATA	979	1,045.19	1,023,239	1,096.50	1,073,474	50,235
14	Textile	RINGSHINE	86,907	8.70	755,715	10.30	895,142	139,427
15	Engineering	RUNNERAUTO	13,535	71.43	966,825	59.50	805,333	(161,493)
16	Service and Real Est.	SAIFPOWER	88,840	21.93	1,948,582	13.40	1,190,456	(758,126)
17	Hotel & Accomo.	SEAPEARL	11,581	9.52	110,300	41.30	478,295	367,995
18	Pharmaceuticals	SOURPHARMA	42,838	236.41	10,127,502	190.00	8,139,220	(1,988,282)
19	Engineering	SSSTEEL	8,803	10.00	88,030	22.50	198,068	110,038
20	Pharmaceuticals	SILCOPHL	20,885	9.09	189,870	30.30	632,816	442,946
					92,621,705		75,563,978	(17,057,726)

