

**UFS- BANK ASIA UNIT FUND**

For the year ended on December 31, 2020



Solution....Begins



## **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, 2020**, 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 1 to 28 and Annexure - A to E.

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, 2020**, 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 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
<b>Investment in securities-at market price</b>	
Refer note no. 04 and 05 the Statement of Financial Position	
<ul style="list-style-type: none"> <li>The investments of the fund comprise 61.63% 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. Due to the amount of the investments in relation to the financial statements as a whole we identify the existence and valuation of investments as a key audit matter.</li> </ul>	<p><b>Our procedure includes:</b></p> <p><b>Control test:</b> 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><b>Test of details:</b></p> <ul style="list-style-type: none"> <li>Determining the existence of the investments by obtaining a Statement of Central Depository of Bangladesh Limited (CDBL). The custodian of demits shares in Bangladesh.</li> <li>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.</li> <li>Recoverability determined by applying subsequent test of realization of income and investment.</li> </ul> <p><b>Assessing disclosure:</b> considering the adequacy of the entity's disclosure regarding Investment in securities-at market value.</p> <p><b>Our result:</b> 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) and Trustee (ICB) 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 Fund's.

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 Fund's 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's 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's 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

In accordance with the Securities and Exchange Commission (Mutual Fund) Rules 2001, 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 accounts as required by law have been kept by the Fund so far as it appeared from our examination of these books;
- c) the Fund's statements of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Fund business.

Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :

Auditor's Name : Mohammad Mofizul Haque Rinku FCA. (Enr. No: 1204)

Date : 27<sup>th</sup> January, 2021

Place : Dhaka

DVC

: 2102011204 AS 684196



## UFS-BANK ASIA UNIT FUND

### Statement of Financial Position

As at December 31, 2020

Particulars	Notes	Amount in Taka	
		December 31, 2020	December 31, 2019
<b>Assets</b>			
Marketable Investments at market value	4.00	125,857,678	75,563,978
Investment in IPO	5.00	10,496,700	1,502,340
Investment in FDR	6.00	30,000,000	-
Advances, Deposits and Prepayments	7.00	163,784	205,473
Preliminary expenses	8.00	10,493,971	12,765,286
Account Receivables	9.00	75,378	1,030,268
Cash and cash equivalents	10.00	44,150,737	86,751,898
<b>Total Assets (A)</b>		<b>221,238,248</b>	<b>177,819,243</b>
<b>Liabilities</b>			
Accounts Payable	11.00	1,557,535	110,350
<b>Total Liabilities (B)</b>		<b>1,557,535</b>	<b>110,350</b>
<b>Net Assets (A-B)</b>		<b>219,680,713</b>	<b>177,708,893</b>
<b>Equity</b>			
Capital Fund	12.00	190,035,000	190,035,000
Unit transaction reserve	13.00	2,479,955	2,479,955
Retained earning		27,165,758	(14,806,062)
<b>Total Equity</b>		<b>219,680,713</b>	<b>177,708,893</b>
<b>Total No. of Unit of the Fund</b>		<b>19,003,500</b>	<b>19,003,500</b>
<b>Net Asset Value (NAV) per unit</b>			
At Cost	14.00	10.95	10.25
At Market Value	15.00	11.56	9.35

The annexed notes 1 to 27 and Annexure A to E 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.



Firm's Name : Rahman Mostafa Alam & Co. Chartered Accountants

Signature :



Auditor's Name : Mohammad Mofizul Haque Rinku FCA (Enr. No: 1204)

Date : 27th January, 2021

Place : Dhaka

DVC

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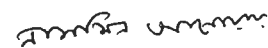
**UFS-BANK ASIA UNIT FUND**  
Statement of Profit or loss and Other Comprehensive Income  
For the year ended December 31, 2020

Particulars	Notes	Amount in Taka	
		January 01, 2020 to December 31, 2020	January 01, 2019 to December 31, 2019
<b>Income</b>			
Profit on sale of Investment	16.0	16,804,097	6,522,953
Interest Income	17.0	2,922,409	8,463,887
Dividend from investment in shares	18.0	1,449,230	1,649,723
<b>Total Income</b>		<b>21,175,736</b>	<b>16,636,563</b>
<b>Expenses</b>			
Management Fees	19.0	3,827,440	4,802,994
Selling's, distribution and promotional expenses	20.0	1,000	-
Amortization of preliminary expenses		2,271,316	2,265,109
Brokerage Fees		205,055	184,547
Printing and publications		383,184	338,664
Monthly CDS Fee		5,612	12,244
Other Expenses	21.0	466,931	1,313,574
IPO Subscription Fee		42,000	15,000
Trustee fees	22.0	268,257	364,835
CDBL Connectivity Fee		37,800	40,950
Diminution of advance and Prepayments	23.0	251,231	193,121
Custodian Fees		111,278	52,597
Audit fees		20,000	20,000
<b>Total Expenses</b>		<b>7,891,104</b>	<b>9,603,636</b>
<b>Profit earned before provision</b>		<b>13,284,633</b>	<b>7,032,927</b>
Provision		-	(17,057,726)
Reversal Provision against marketable Investment	24	17,057,726	-
<b>Profit earned after provision Reverse</b>		<b>30,342,359</b>	<b>(10,024,799)</b>
Unrealized gain on securities		11,629,461	-
<b>Total profit</b>		<b>41,971,820</b>	<b>(10,024,799)</b>
<b>Earning Per Unit</b>	<b>25</b>	<b>2.21</b>	<b>(0.37)</b>

The annexed notes 1 to 27 and Annexure A to E 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.



**Firm's Name** : Rahman Mostafa Alam & Co. Chartered Accountants

**Signature** : 

**Auditor's Name** : Mohammad Mofizul Haque Rinku FCA (Enr. No: 1204)

**Date** : 27th January, 2021

**Place** : Dhaka

**DVC** : 2102011204 AS 684196





## UFS-BANK ASIA UNIT FUND

### Statement of Changes in Equity

For the year ended December 31, 2020

Particulars	Capital Fund	Retained Earnings	Investment Diminution Reserve	Units Transaction Reserve	Total
<b>Balance at January 01, 2020</b>	190,035,000	(14,806,062)	-	2,479,955	177,708,893
Subscribed by unit holders	-	-	-	-	-
Surrender by unit holder	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Net profit/(loss) during the year	-	13,284,633	-	-	13,284,633
Units transaction reserve	-	-	-	-	-
Reversal of Provision against marketable Investment	-	17,057,726	-	-	17,057,726
Unrealized Gain on Marketable Investment	-	11,629,461	-	-	11,629,461
<b>Balance at December 31, 2020</b>	190,035,000	27,165,758	-	2,479,955	219,680,713

Particulars	Capital Fund	Retained Earnings	Investment Diminution Reserve	Units Transaction Reserve	Total
<b>Balance at January 01, 2019</b>	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)
Dividend Paid	-	-	-	-	-
Net profit/(loss) during the year	-	7,032,927	-	-	7,032,927
Units transaction reserve	-	-	-	2,480,000	2,480,000
Reduction of Unrealized gain due to changes in FV	-	-	(125,081)	-	(125,081)
Provision against marketable investment	-	(17,057,726)	-	-	(17,057,726)
<b>Balance at December 31, 2019</b>	190,035,000	(14,806,062)	-	2,479,955	177,708,893

The annexed notes 1 to 27 and Annexure A to E form an integral part of this financial statements.

*Sayed Shaukat Ali*  
Asset Manager

Universal Financial Solutions Limited



*Imdadur Rahman*

Chairman, (Trustee)

Investment Corporation of Bangladesh (ICB)

*Atiqur*

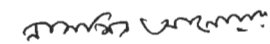




**UFS-BANK ASIA UNIT FUND**  
**Statement of Cash Flows**  
For the year ended December 31, 2020

Particulars	Amount in Taka	
	December 31, 2020	December 31, 2019
<b>Cash Flows from operating activities:</b>		
Advance and Prepayments	41,689	(205,473)
Interest Income	2,867,409	8,463,887
Dividend Income	1,449,230	619,455
Receivable actualized	1,009,890	227,930
Liabilities pay off	(110,350)	(384,051)
Profit from sale of Investments	16,804,097	6,522,953
Payment made for expenses	(4,062,254)	(7,228,175)
<b>Net cash from/(used in) operating activities (A)</b>	<b>17,999,711</b>	<b>8,016,526</b>
<b>Cash Flows from investing activities:</b>		
Securities Buy	(60,620,874)	(70,205,911)
Securities Sell	40,516,701	16,898,065
Investment in FDR	(30,000,000)	-
Investment in IPO	(10,496,700)	(2,642,400)
<b>Net cash used in investing activities (B)</b>	<b>(60,600,872)</b>	<b>(55,950,246)</b>
<b>Cash Flows from financing activities:</b>		
Proceed from capital fund	-	10,000
Unit redeemed during the year	-	(110,000,000)
Units transaction reserve	-	2,480,000
<b>Net cash from/(used in) financing activities (C)</b>	<b>-</b>	<b>(107,510,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents (D=A+B+C)</b>	<b>(42,601,161)</b>	<b>(155,443,720)</b>
Opening cash and cash equivalents (E)	86,751,898	242,195,618
<b>Closing cash and cash equivalents (D+E)</b>	<b>44,150,737</b>	<b>86,751,898</b>
<b>Net Operating Cash Flow Per Unit (NOCFPU)</b>	<b>0.95</b>	<b>0.42</b>

  
**Asset Manager**  
Universal Financial Solutions Limited

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







**UFS-BANK ASIA UNIT FUND**  
**Schedule of Marketable Investments**  
For the year ended December 31, 2020

Annexure-A

Sl No	Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Market Price/Unit	Total Market Price	Unrealized Gain/(Loss)
1	Fuel and Power	BARKAPOWER	166,124	29.94	4,973,859	25.70	4,269,387	(704,472)
2	Food and Allied	BATBC	8,552	1,138.34	9,735,055	1,180.80	10,098,202	363,147
3	Engineering	BBSCABLES	99,550	83.16	8,278,310	54.80	5,455,340	(2,822,970)
4	Bank	BRACBANK	251,217	57.08	14,339,819	44.30	11,128,913	(3,210,905)
5	Pharmaceuticals	BXPBARMA	85,832	76.38	6,555,480	190.50	16,350,996	9,795,516
6	Insurance	CRYSTALINS	19,277	10.00	192,770	39.40	759,514	566,744
7	Pharmaceuticals	ACMELAB	2,883	71.50	206,135	74.70	215,360	9,226
8	Engineering	COPPERTECH	5,952	9.52	56,687	21.10	125,587	68,901
9	Textile	GENEXIL	144,500	61.83	8,934,414	55.00	7,947,500	(986,914)
10	Telecommunication	GP	51,326	358.87	18,419,216	347.10	17,815,255	(603,961)
11	Food and Allied	MARICO	3,275	2,146.78	7,030,697	2,138.80	7,004,570	(26,127)
12	Textile	NEWLINE	11,104	9.35	103,779	17.00	188,768	84,989
13	Food and Allied	OLYMPIC	52,300	200.01	10,460,691	191.10	9,994,530	(466,161)
14	Textile	RINGSHINE	86,907	8.70	755,715	6.40	556,205	(199,510)
15	Telecommunication	ROBI	469,019	10.00	4,690,190	29.80	13,976,766	9,286,576
16	Travel & Leisure	SEPEARL	5,515	9.52	52,526	79.10	436,237	383,710
17	Pharmaceuticals	SQURPHARMA	59,264	222.66	13,195,813	219.50	13,008,448	(187,365)
18	Engineering	SINGERBD	35,867	171.77	6,160,751	175.60	6,298,245	137,494
19	Pharmaceuticals	SILCOPHL	9,494	9.09	86,312	24.00	227,856	141,544
					<b>114,228,217</b>		<b>125,857,678</b>	<b>11,629,461</b>

**UFS-BANK ASIA UNIT FUND**  
**Investment in IPO**  
As at 31st December 2020

Annexure-B

Sl No	Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Market Price/Unit	Total Market Price	Unrealized Gain/(Loss)
1	Food & Allied	INDEXAGRO	69,400	72.00	4,996,800	72.00	4,996,800	-
2	Engineering	MIRAKHTER	87,300	63.00	5,499,900	63.00	5,499,900	-
			<b>Total</b>		<b>10,496,700</b>		<b>10,496,700</b>	

