

**Audited Financial Statements
of
UFS-PRAGATI LIFE UNIT FUND
For the year ended 31 December 2019**

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UFS-PRAGATI LIFE UNIT FUND

Report of the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UFS-Pragati Life Unit Fund (here-in-after referred to as "the Fund"), which comprise the statement of financial position as at 31 December 2019, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give true and fair view, in all material respects, the statements of financial position of the fund as at 31 December 2019 and its financial performance and its cash flows for the year ended in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and comply with Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws 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 our 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- 4.1 to the accompanying financial statements:

- The Fund has investment of Taka 7.76 million at the balance sheet date in shares of The City Bank Limited representing 10.17% of total asset as against statutory limit of 10% in any particular company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were 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 these matters.

We focused on the valuation and existence of the investments in different types of securities because these investments represent the principal element of the net asset value as disclosed in the statement of financial position in the financial statements.

Others Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statement

The Asset Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), Securities and Exchange Rules, 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 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 and error.

In preparing the financial statements, management 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 unless management either intends to liquidate the Fund or 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Fund'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 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 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 audit findings, including any significant deficiencies in internal control that we identify during our audit. However, we have not come across any significant audit findings.

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 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 profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka, 05 FEB 2020


Chartered Accountants

UFS-PRAGATI LIFE UNIT FUND
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Taka	2018 Taka
Assets			
Investments at market value	4	46,204,069	57,222,678
Investment in IPO	5	1,502,340	6,839,900
Preliminary and issue expenses	6	2,566,118	3,189,603
Receivables	7	654,936	1,107,836
Advance and prepayments	8	145,883	140,410
Cash and cash equivalents	9	10,467,047	3,795,722
Total Assets		61,540,393	72,296,149
Current liabilities			
Accounts payable	10	20,302	128,490
Accrued expenses	11	64,758	35,000
Total current liabilities		85,060	163,490
Net Assets		61,455,334	72,132,659
Owners' Equity			
Unit fund	12	70,055,600	70,085,000
Units transaction reserve		(2,399,795)	(2,400,175)
Retained earning		(6,200,471)	4,447,834
Total Equity		61,455,334	72,132,659
Net Asset Value (NAV) per unit			
At cost value	13	10.89	10.71
At market value	14	8.77	10.29

These financial statements should be read in conjunction with annexed notes.


Trustee

Bangladesh General Insurance Company Limited


Assets Manager

Universal Financial Solutions Limited

AUDITORS' REPORT TO THE TRUSTEE

See annexed report of date

Dhaka,

05 FEB 2020


Chartered Accountants

**UFS-PRAGATI LIFE UNIT FUND
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019**

		2019	2018
	Notes	Taka	Taka
Income			
Net gain on sale of marketable securities	15	5,749,273	7,481,734
Interest income	16	189,226	173,958
Dividend income	17	1,500,624	2,545,573
		7,439,124	10,201,265
Less: Expenses			
Management fees		1,649,105	1,696,211
Brokerage fee		119,937	188,762
Amortization of preliminary expenses		623,485	628,609
BSEC annual fee		71,143	89,495
Trustee fee		198,692	264,145
Custodian fee		96,928	38,299
IPO subscription fee		15,000	48,000
Printing and publications		406,824	348,214
CDBL charges		64,002	64,943
Audit fee		40,000	35,000
Bank charges and excise duty		65,777	41,269
		3,350,892	3,442,947
Profit before provision for the year		4,088,231	6,758,318
(Provision)/ write back against diminution in value of securities		(11,933,136)	(2,937,037)
Net profit/(loss) for the year		(7,844,905)	3,821,281
Add: Other comprehensive income			
Unrealized gain on securities		-	-
Total profit for the year		(7,844,905)	3,821,281
Earning per unit during the year	18	(1.12)	0.55

These financial statement should be read in conjunction with annexed notes


Trustee

Bangladesh General Insurance Company Limited


Assets Manager

Universal Financial Solutions Limited

AUDITORS' REPORT TO THE TRUSTEE

See annexed report of date

Dhaka,

05 FEB 2020


Chartered Accountants

**UFS- Pragati Life Unit Fund
Statement of Changes in Equity
For the year ended 31 December 2019**

Particulars	Amount in Taka				
	Unit Fund	Units transaction reserve	Unrealized gain on securities	Retained earnings	Total equity
Balance at 1 January 2018	70,050,000	(2,399,195)	7,576,823	9,033,178	84,260,806
Unit subscribed	70,000	-	-	-	70,000
Unit surrendered	(35,000)	-	-	-	(35,000)
Unit transaction reserve	-	(980)	-	-	(980)
Net profit/ (loss) for the year	-	-	-	3,821,281	3,821,281
Dividend for the year 2017	-	-	-	(8,406,000)	(8,406,000)
FDR interest income adjustment for 2017	-	-	-	(625)	(625)
Change in unrealized gain/ loss	-	-	(7,576,823)	-	(7,576,823)
Balance at 31 December 2018	70,085,000	(2,400,175)	-	4,447,834	72,132,659
Balance at 1 January 2019	70,085,000	(2,400,175)	-	4,447,834	72,132,659
Unit subscribed	-	-	-	-	-
Unit resubscribed	600	-	-	-	600
Unit surrendered	(30,000)	-	-	-	(30,000)
Unit transaction reserve	-	380	-	-	380
Net profit/ (loss) for the year	-	-	-	(7,844,905)	(7,844,905)
Dividend for the year 2018	-	-	-	(2,803,400)	(2,803,400)
Balance at 31 December 2019	70,055,600	(2,399,795)	-	(6,200,471)	61,455,334

A. Z. Chowdhury

Trustee
Bangladesh General Insurance Company Limited

Sayed Hossain Hossain

Assets Manager
Universal Financial Solutions Limited

UFS-PRAGATI LIFE UNIT FUND
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
A. Cash flows from operating activities			
Interest income	16	189,226	173,958
Dividend income		1,155,853	2,375,455
Profit on sale of investments	15	5,749,273	7,481,734
Advances and prepayments	8	(5,473)	(195,981)
Receipt from sale of securities		797,671	-
Payment made for expenses		(2,805,838)	(3,211,129)
Net cash from/(used in) operating activities		5,080,712	6,624,037
B. Cash flows from investing activities			
Investment in marketable securities, net		7,879,454	1,514,872
IPO application		(3,456,420)	(6,762,590)
FDR encashment		-	2,500,000
Net cash used in investing activities		4,423,034	(2,747,718)
C. Cash flow from financing activities :			
Proceed from issuance of unit		-	70,000
Payment made for repurchase of unit		(30,000)	(35,000)
Dividend paid		(2,802,800)	(8,405,400)
Premium/discount		380	(980)
Net cash from/(used in) financing activities		(2,832,420)	(8,371,380)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		6,671,326	(4,495,061)
Cash and cash equivalents at the beginning of the year		3,795,722	8,290,783
Cash & cash equivalents at the end of the year		10,467,047	3,795,722
Net operating cash flow		5,080,712	6,624,037
Number of outstanding Unit		7,005,560	7,008,500
Net operating cash flow per unit		0.73	0.95


Trustee

Bangladesh General Insurance Company Limited


Assets Manager

Universal Financial Solutions Limited

UFS-PRAGATI LIFE UNIT FUND
Investment in Marketable Securities
As at 31 December 2019

Annexure-A

**Hoda Vasi
Chowdhury & Co**

Sl. No.	Sectors	Name of Instruments	Number of Shares	Weighted Average Price	Total Cost	Market Price	Total Market Value	Unrealized Gain/(Loss)
1	Bank	CITYBANK	236,512	32.84	7,767,560.06	21.10	4,990,403.20	(2,777,157)
		BRACBANK	117,729	60.28	7,097,169.60	57.10	6,722,325.90	(374,844)
2	Food & Allied	OLYMPIC	3,400	215.59	733,020.00	165.00	561,000.00	(172,020)
3	Hotel & Accommodation	SEAPEARL	11,581	9.52	110,300.00	41.30	478,295.30	367,995
		BXPHARMA	63,500	108.78	6,907,402.40	69.40	4,406,900.00	(2,500,502)
		ACTIVEFINE	61,007	34.64	2,113,512.00	14.70	896,802.90	(1,216,709)
		SILVAPHL	11,753	9.52	111,940.00	16.80	197,450.40	85,510
4	Pharmaceuticals	SOURPHARMA	26,489	231.20	6,124,352.45	190.00	5,032,910.00	(1,091,442)
		SILCOPHL	20,886	9.09	189,880.00	30.30	632,845.80	442,966
		BBSCABLES	57,458	92.95	5,340,479.90	58.80	3,378,530.40	(1,961,950)
5	Engineering	SSSTEEL	19,366	9.09	176,060.00	22.50	435,735.00	259,675
		BSRMILTD	48,800	76.41	3,728,810.00	48.80	2,381,440.00	(1,347,370)
		RUNNERAUTO	11,380	71.43	812,925.00	59.50	677,110.00	(135,815)
		COPPERTECH	12,499	9.52	119,040.00	23.50	293,726.50	174,687
6	Telecommunication	GP	14,953	371.92	5,561,281.17	285.80	4,273,567.40	(1,287,714)
		BARKAPOWER	71,425	27.89	1,992,186.60	22.70	1,621,347.50	(370,839)
7	Fuel & Power	SAIFPOWER	190,036	24.01	4,562,000.00	13.40	2,546,482.40	(2,015,518)
		VFSTDLD	9,029	8.26	74,624.52	20.00	180,580.00	105,955
8	Service & Real Est.	MLDYEING	8,583	7.25	62,201.67	32.90	282,380.70	220,179
		KTL	13,550	8.27	111,990.91	11.30	153,115.00	41,124
		ESQUIRENIT	48,398	45.00	2,177,910.00	28.30	1,369,663.40	(808,247)
		RINGSHINE	144,844	8.70	1,259,516.81	10.30	1,491,893.20	232,376
9	Textile	NEWLINE	20,844	9.35	194,810.00	14.80	308,491.20	113,681
		BATASHOE	1,000	1,120.30	1,120,300.00	696.10	696,100.00	(424,200)
10	Tannery Industry						44,009,096	(14,440,177)
Total					58,449,273			

Investment in Mutual Fund

Sl.No	Sector	Sector/ category	Number of Units	Weighted Average Price	Total Value at Cost	Market Price per unit	Total Market value	Unrealized Gain/(Loss)
1	Mutual Fund	ATCSLGF	110,178	12.93	1,424,969	7.50	826,335	(598,634)
		LRGLOBMFI	150,000	8.00	1,200,000	6.60	990,000	(210,000)
Total					2,624,969		1,816,335	(808,634)
Grand Total					61,074,242		45,825,431	(15,248,811)

UFS - Pragati Life Unit Fund
As at 31 December 2019
Investment in Mutual Fund

Annexure-A

As per BSEC circular No. SEC/CMRRCD/2009-193/172, dated 30 June 2015 Mutual Fund has separate provision method for investment in Mutual Funds which has been given below (Valuation of Mutual Fund is given in Annexure-A):

Sector	Name of Instruments	Number of Units	Weighted Average Price	Total Value at Cost	85% last NAV	Total Market value	Unrealized Gain/(Loss)
Mutual Fund	ATCSLGF	110,178	12.93	1,424,969	9.17	1,010,498	(414,471)
	LRGLOBMF1	150,000	8.00	1,200,000	7.90	1,184,475	(15,525)
				2,624,969		2,194,973	(429,996)

Investment in securities at market price	Total cost price	Total market price	Unrealized gain/(loss)
Investment in Securities other than Mutual Fund	58,449,273	44,009,096	(14,440,177)
Investment In Mutual Fund	2,624,969	2,194,973	(429,996)
	61,074,242	46,204,069	(14,870,173)

UFS - Pragati Life Unit Fund
As at December 31, 2019
Valuation of Mutual Fund

Name of instrument of Mutual fund	Face Value	No. of Unit	Cost price	Total Acquisition cost	Market price	Total Market Price	Unrealized loss (based on MP)	Particular fund NAV on 31 Dec. 2019	85% of last NAV	Required provision	Unrealized loss recovery
ATCSLGF	10	110,178	12.93	1,424,969	7.50	826,335	(598,634)	10.79	9.17	414,471	184,163
LRGLOBMF1	10	150,000	8.00	1,200,000	6.60	990,000	(210,000)	9.29	7.90	15,525	194,475
				2,624,969		1,816,335	(808,634)				378,638