

UFS-Padma Life Islamic Unit Fund

For the year ended December 31, 2019



Independent Auditors' Report

To the Trust Board of

UFS-Padma Life Islamic Unit Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UFS-Padma Life Islamic 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 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, 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 06 to the Statement of Financial Position	
<ul style="list-style-type: none"> The investments of the fund comprise 46% of total Assets. These investments comprise of 1) Marketable Investments at market value; 2) Investment in non-listed securities; and 3) 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 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 funds 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





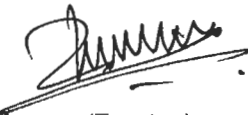
UFS-Padma Life Islamic Unit Fund
Statement of Financial Position
As at December 31, 2019

Particulars	Notes	Amount in Taka	
		December 31, 2019	December 31, 2018
Assets			
Investments in listed securities at market value	4.0	190,005,314	168,458,651
Investment in non-listed securities- market value	5.0	4,788,536	5,000,002
Investment in IPO	6.0	1,502,340	9,844,325
Advances, deposits and prepayments	7.0	277,299	320,310
Preliminary expenses	8.0	7,649,268	9,678,325
Receivables	9.0	2,695,614	2,245,310
Cash and cash equivalents	10.0	212,702,567	122,855,652
Total Assets (A)		419,620,938	318,402,575
Liabilities			
Accounts payables	11.0	332,161	1,825,495
Total Liabilities (B)		332,161	1,825,495
Net Assets Value (A-B)		419,288,777	316,577,080
Equity			
Capital fund	12.0	468,055,000	318,055,000
Units transaction reserve	13.0	1,965,955	1,965,955
Retained earning/loss		(50,732,178)	(3,443,875)
Total Equity		419,288,777	316,577,080
Total no. of units of the fund		46,805,500	31,805,500
Net Asset Value (NAV) per unit			
At cost value	14.0	10.19	10.22
At market value	15.0	8.96	9.95

The annexed notes 1 to 24 and annexure A to E form an integral part of these 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-Padma Life Islamic 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	January 01, 2018 to December 31, 2018
Income			
Profit on sale of investment	16.00	7,266,501	1,243,197
Finance income	17.00	2,483,627	10,024,781
Dividend income	18.00	7,931,356	5,356,079
Total Income		17,681,484	16,624,057
Expenses			
Management fees	19.00	7,944,813	6,471,930
Selling, distribution and promotional expenses		3,000,000	2,408,230
Amortization of preliminary expenses		2,029,057	2,045,734
Brokerage fees		221,243	385,771
Printing and publications expenses		338,664	704,770
CDBL connectivity fee		39,450	-
Other expenses	20.00	318,483	1,535,938
IPO subscription fee		12,000	45,000
BSEC fees		555,073	517,107
Trustee fees		859,308	661,280
CDBL fees		18,393	108,742
Audit fee		25,000	15,000
Custodian fees		357,789	500,132
Total Expenses		15,719,273	15,399,634
Profit earned before any provision		1,962,211	1,224,423
Provision	21.00	(49,115,103)	(8,476,562)
Profit earned after provision		(47,152,892)	(7,252,139)
Unrealized gain on securities		-	-
Total profit and other comprehensive income during the year		(47,152,892)	(7,252,139)
Total distributable profit/(loss)		(47,152,892)	(7,252,139)
Number of units outstanding		46,805,500	31,805,500
Earning per units during the year			
Before provision	22.0	0.05	0.04
After provision	22.0	(1.11)	(0.23)

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



Asset Manager

Universal Financial Solutions Limited



Chairman, (Trustee)

Investment Corporation of Bangladesh (ICE)

Signed in terms of our separate report of even date.



Rahman Mostafa Alam & Co.
Chartered Accountants

Dated: Dhaka
January 23, 2020





UFS-Padma Life Islamic Unit Fund
Statement of Changes in Equity
For the year ended December 31, 2019


Particulars	Capital fund	Retained earnings	Investment Diminution reserve	Unit transaction reserve	Total equity
Balance at January 01, 2019	318,055,000	(3,443,875)	-	1,965,955	316,577,080
Unit subscribed	150,000,000	-	-	-	150,000,000
Unit surrendered	-	-	-	-	-
Net profit/(loss) before provision during the year	-	1,962,211	-	-	1,962,211
Prior year adjustment	-	(135,411)	-	-	(135,411)
Unit transaction reserve, net	-	-	-	-	-
Provision against marketable investment	-	(49,115,103)	-	-	(49,115,103)
Balance at December 31, 2019	468,055,000	(50,732,178)	-	1,965,955	419,288,777
Balance at January 01, 2018	318,050,000	45,154,764	14,094,547	1,965,815.00	379,265,126
Unit subscribed	5,000	-	-	-	5,000
Unit surrendered	-	-	-	-	-
Net profit/(loss) before provision during the year	-	(7,252,139)	-	-	(7,252,139)
Dividend FY 2017	-	(41,346,500)	-	-	(41,346,500)
Unit transaction reserve, net	-	-	-	140	140
Provision against marketable investment	-	-	(14,094,547)	-	(14,094,547)
Balance at December 31, 2018	318,055,000	(3,443,875)	-	1,965,955	316,577,080

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


Asset Manager

Universal Financial Solutions Limited



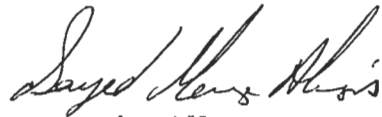

Chairman, (Trustee)

Investment Corporation of Bangladesh (ICB)



UFS-Padma Life Islamic 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:		
Interest income	2,483,627	14,657,531
Dividend income	5,100,331	4,583,844
Profit on sale of investment	7,266,501	1,243,197
Advance payments	(277,299)	(320,310)
Receivables actualized	2,245,310	-
liabilities pay off	(1,825,495)	-
Payment made for expenses	(13,037,746)	(11,276,788)
Net cash from/(used in) operating activities (A)	1,955,229	8,887,474
Cash flows from investing activities:		
Securities buy	(69,305,804)	(48,534,817)
Securities sell	12,025,010	107,739,912
Investment in non listed securities	-	(5,000,002)
Money market investments	-	88,000,000
IPO application	(20,000,000)	(9,766,985)
IPO refund	15,172,480	-
Net cash used in investing activities (B)	(62,108,314)	132,438,108
Cash flows from financing activities:		
Proceed from capital fund	150,000,000	5,000
Dividend paid	-	(41,346,500)
Units transaction reserve	-	140
Net cash from/(used in) financing activities (C)	150,000,000	(41,341,360)
Net increase/(decrease) in cash Flows (D=A+B+C)	89,846,915	99,984,221
Opening cash and cash equivalents (E)	122,855,652	22,871,431
Closing cash and cash equivalents (D+E)	212,702,567	122,855,652
Net Operating Cash Flow Per Unit (NOCFPU)	0.05	0.28



Asset Manager
Universal Financial Solutions Limited



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



UFS-Padma Life Islamic Unit Fund
Investment in Listed Securities - Other than Mutual Funds
As at December 31, 2019

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	247,200	34.84	8,613,091	14.70	3,633,840	(4,979,251)
3	Tannery	BATASHOE	12,000	1,175.03	14,100,300	696.10	8,353,200	(5,747,100)
4	Engineering	BSCABLES	242,437	91.93	22,287,010	58.80	14,255,296	(8,031,714)
5	Fuel and Power	BARKAPOWER	347,484	29.86	10,377,427	22.70	7,887,887	(2,489,540)
6	Pharmaceuticals	BXPHERMA	315,380	99.50	31,379,506	69.40	21,887,372	(9,492,134)
7	Engineering	COPPERTECH	12,499	9.52	119,040	23.50	293,727	174,687
8	Textile	ESQUIRENIT	88,323	45.00	3,974,535	28.30	2,499,541	(1,474,994)
9	Textile	FEKDIL	113,925	15.10	1,720,750	9.00	1,025,325	(695,425)
10	Telecommunication	GP	101,917	311.14	31,710,922	285.80	29,127,879	(2,583,044)
11	Fuel and Power	LINDEBD	5,487	1,305.87	7,165,284	1,299.00	7,127,613	(37,671)
12	Bank	ISLAMIBANK	214,609	37.88	8,130,206	19.10	4,099,032	(4,031,174)
13	Insurance	ISLAMIINS	205,070	32.00	6,560,320	24.40	5,002,244	(1,558,076)
14	Textile	KTL	27,101	8.26	223,982	11.30	306,241	82,259
15	Textile	MLDYENG	8,583	7.25	62,200	32.90	282,381	220,181
16	Fuel and Power	MJLBD	42,000	116.71	4,901,874	63.30	2,658,600	(2,243,274)
17	Textile	NEWLINE	20,844	9.35	194,810	14.80	308,491	113,681
18	Food and allied	OLYMPIC	73,500	279.21	20,522,240	165.00	12,127,500	(8,394,740)
19	Pharmaceuticals	RENATA	11,788	1,053.42	12,417,692	1,096.50	12,925,542	507,850
20	Textile	RINGSHINE	248,305	8.70	2,159,175	10.30	2,557,542	398,367
21	Engineering	RUNNERAUTO	13,535	71.43	966,825	59.50	805,333	(161,493)
22	Service & Real Est.	SAFFPOWER	404,744	23.81	9,636,505	13.40	5,423,570	(4,212,935)
23	Pharmaceuticals	SILVAPHL	11,753	9.52	111,940	16.80	197,450	85,510
24	Pharmaceuticals	SILCOPHL	20,885	9.09	189,870	30.30	632,816	442,946
25	Pharmaceuticals	SOURPHARMA	155,913	200.75	31,298,939	190.00	29,623,470	(1,675,469)
26	Engineering	SSSTEEL	8,803	10.00	88,030	22.50	198,068	110,038
27	Fuel and Power	SUMITPOWER	265,000	43.08	11,416,736	36.30	9,619,500	(1,797,236)
28	Textile	VFSTDL	8,209	9.09	74,627	20.00	164,180	89,553
		Total			240,403,835		183,023,637	(57,380,199)

Annexure- A

UFS-Padma Life Islamic Unit Fund
Investment in Listed Securities- Mutual Funds
As at December 31, 2019

SI No	Sector	Name of script	No. of Unit	Cost Price/Unit	Total Cost Price	Market price/Unit	Total Market Price	Un realized gain/(Loss)
1	Mutual Fund	AIBL1STIMF	902,367	7.74	6,981,677	7.20	6,497,042	(484,635)
		Total	902,367		6,981,677		6,497,042	(484,635)

Mutual Fund Valuation (Provision against unrealized losses), for Closed-End Mutual Funds as per BSEC Directive (No. SEC/CMR/CD/2009-193/172)

Mutual Fund Valuation				
SI No	SCRIPT Code	No. of Unit	Cost Price (Tk.)	Unrealized Value
1	AIBL1STIMF	902,367.00	7.74	(484,634.90)
			6,981,677	6,497,042
			6,981,677	6,497,042
				(484,635)





Particular Funds NAV (Published 29.12.19)	85% Last NAV (Tk./unit)	Required Provision/Unit (FY<85%*NAV&FY>85%*N AV)	Required provision in Amount	Loss Recovery	Total Market Price After Provision	Unrealized Value
9.44	8.02	(0.29)	-	484,634.90	6,981,677	-
				484,634.90	6,981,677	-

UFS-Padma Life Islamic Unit Fund
Investment in non listed securities
As at December 31, 2019

Sector	Name of script	Number of shares	Cost Price/Unit	Total Cost	Repurchase price/Unit	Market value	Un realized gain/(Loss)
Opened End Mutual Fund	ATC Shariah Unit Fund	469,925	10.64	5,000,002	8.95	4,205,829	(794,173)
	Total	469,925		5,000,002		4,205,829	(794,173)

Mutual Fund Valuation (Provision against unrealized losses), for opened-End Mutual Funds as per BSEC Directive (No. SEC/C/MRRCD/2009-193/172)

Sector	Script Trading Code	No of Unit	Cost price/Unit	Total Cost Price	Repurchase value/ Unit	Total Market Price	Unrealized Gain/(Loss)
Non Listed	ATC Shariah Unit Fund	469,925	10.64	5,000,002	8.95	4,205,829	(794,173)

Required Provision	NAV of MF	5% of NAV	Net RP	RP in amount	Loss Recovery	MP after RP	Un. Value after RP
1.69	9.00	0.45	0.45	211,466	582,707	4,788,536	(211,466)
				211,466	582,707	4,788,536	(211,466)

UFS-Padma Life Islamic Unit Fund
Total Investment in Marketable Securities (Listed and Non Listed)
As at December 31, 2019

Particulars	Cost Price	Market Price	Un realized gain/(Loss)
Investment in Listed Securities Other than Mutual Fund	240,403,835	183,023,637	(57,380,199)
Investment in Mutual Fund (After provision)	6,981,677	6,981,677	-
Total investment in listed Securities	247,385,513	190,005,314	(57,380,199)
Total investment in Non Listed Securities	5,000,002	4,788,536	(211,466)
Total investment in Marketable Securities after provision	252,385,515	194,793,850	(57,591,665)

