ICB AMCL CONVERTED FIRST UNIT FUND
Asset Manager: ICB Asset Management Company Limited
Green City Edge (4th Floor), 89 Kakrail, Dhaka-1000.

In terms of the Rule 69 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the yearly audited accounts of the ICB AMCL CONVERTED FIRST UNIT FUND for the period ended 30 June 2018 are appended below:

Statement of Financial Position
as at June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
Assets			
Investment in securities -at cost	3	48,70,61,654	50,57,14,688
Cash at bank	4	2,33,40,507	2,08,74,539
Other current assets	5	65,00,390	93,61,960
Deferred revenue expenditure	6	7,25,100	10,87,650
		51,76,27,651	**53,70,38,837**
Equity and Liabilities			
Equity			
Unit capital	7	40,23,30,750	42,82,58,020
Reserves and surplus	8	6,37,58,502	6,34,99,769
Provision for Marketable Investments	9	3,06,78,558	2,56,78,558
		49,67,67,810	**51,74,36,347**
Current liabilities	10	2,08,59,841	1,96,02,490
		51,76,27,651	**53,70,38,837**
Net Asset Value (NAV)			
At cost price		**12.35**	**12.08**
At market price		**9.59**	**10.95**

Statement of Profit or Loss and Other Comprehensive Income
for the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
Income			
Net Profit on sale of investments		2,41,82,005	3,02,04,135
Profit from sale of unit fund		-	14,73,732
Dividend from investment in shares		1,41,72,548	1,46,24,470
Interest on bank deposits	11	14,72,323	16,86,367
Premium on sale of units		2,52,818	2,68,129
Others		-	-
Total income		**4,00,79,694**	**4,82,56,833**
Expenses			
Management fee		80,22,613	77,23,368
Trustee fee		4,34,841	4,14,891
Custodian fee		4,22,203	4,19,333
Annual fee		4,35,301	4,68,861
Audit fee		17,250	17,250
Commission to agents		24,073	11,393
Other operating expenses	12	5,15,614	5,05,825
Preliminary expenses written off		3,62,550	3,62,550
Total expenses		**1,02,34,445**	**99,23,471**
Profit before provision		**2,98,45,249**	**3,83,33,362**
Provision for marketable investments		50,00,000	60,00,000
Net profit for the year		**2,48,45,249**	**3,23,33,362**
Earnings Per Unit		**0.62**	**0.75**

Statement of Changes in Equity
for the year ended 30 June 2018

Particulars	Unit Capital	Unit Premium reserve	Provision for Marketable investment	Retained Earnings	Total Equity
Balance as at July 01, 2017	**42,82,58,020**	**1,43,83,889**	**2,56,78,558**	**4,91,15,880**	**51,74,36,347**
Unit Capital	(2,59,27,270)	-	-	-	(2,59,27,270)
Unit Premium reserve	-	6,95,707	-	-	6,95,707
Provision for marketable investment			50,00,000		50,00,000
Last year dividend				(2,56,95,481)	(2,56,95,481)
Last year adjustment	-	-	-	4,13,258	4,13,258
Net profit after tax	-	-	-	2,48,45,249	2,48,45,249
Balance as at June 30, 2018	**40,23,30,750**	**1,50,79,596**	**3,06,78,558**	**4,86,78,906**	**49,67,67,810**
Balance as at July 01, 2016	**47,04,67,720**	**1,16,95,188**	**1,96,78,558**	**4,04,29,266**	**54,22,70,732**
Unit Capital	(4,22,09,700)	-	-	-	(4,22,09,700)
Unit Premium reserve	-	26,88,701	-	-	26,88,701
Provision for marketable investment			60,00,000		60,00,000
Last year dividend				(2,35,23,386)	(2,35,23,386)
Last year adjustment	-	-	-	(1,23,362)	(1,23,362)
Net profit after tax	-	-	-	3,23,33,362	3,23,33,362
Balance as at June 30, 2017	**42,82,58,020**	**1,43,83,889**	**2,56,78,558**	**4,91,15,880**	**51,74,36,347**

Statement of Cash Flows
for the year ended 30 June 2018

Particulars	Amount in Taka	
	June 30, 2018	June 30, 2017
Cash flow from operating activities		
Dividend from investment in shares	1,31,82,500	1,69,57,535
Interest on bank deposits and bonds	10,39,323	16,86,367
Premium income on unit sold	2,52,818	2,68,129
Expenses	(91,25,517)	(1,04,84,784)
Net cash inflow/(outflow) from operating activities	**53,49,124**	**84,27,247**
Cash flow from investing activities		
Sales of shares-marketable investment	18,29,98,924	27,85,10,675
Purchase of shares-marketable investment	(14,20,75,616)	(22,29,23,287)
Share application money deposited	(1,52,00,000)	(4,52,00,000)
Share application money refunded	2,10,00,000	3,72,00,000
Net cash inflow/(outflow) from investing activities	**4,67,23,308**	**4,75,87,388**
Cash flow from financing activities		
Unit capital sold	84,27,290	89,37,630
Unit capital surrendered	(3,43,54,560)	(5,11,47,330)
Premium received on sales	10,27,798	33,74,884
Premium refunded on surrender	(3,32,091)	(6,86,183)
Dividend paid	(2,43,74,901)	(2,20,39,192)
Net cash inflow/(outflow) from financing activities	**(4,96,06,464)**	**(6,15,60,191)**
Net cash flow increase/(decrease)	**24,65,968**	**(55,45,556)**
Cash equivalent at beginning of the year	2,08,74,539	2,64,20,095
Cash equivalent at end of the year	**2,33,40,507**	**2,08,74,539**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.13**	**0.20**

General Information:

Sponsor	ICB Capital Management Ltd.
Trustee	Investment Corporation of Bangladesh
Custodian	Investment Corporation of Bangladesh
Auditor	Khan Wahab Shafique Rahman & Co.
Banker	IFIC Bank Ltd. Principal Br. Dhaka.

Other Financial Information:	**June 30, 2018**	**June 30, 2017**
Dividend (cash)	0.60	0.60

The detailed annual report is available for inspection at the Head Office of ICB Asset Management Company Ltd. Interested Investors can collect a copy of annual report on payment of Tk. 20.00 only.

Sd/-	Sd/-	Sd/-
Asset Manager	**Trustee**	**Khan Wahab Shafique Rahman & Co.**
ICB Asset Management Company Ltd.	**Investment Corporation of Bangladesh**	**Chartered Accountants**

ICB AMCL CONVERTED FIRST UNIT FUND
Notes to the financial statements
for the year ended June 30, 2018

1 Legal status and nature of business

ICB AMCL Converted First Unit Fund was established under a Trust Deed executed between the ICB Capital Management Limited as 'Sponsor' and Investment Corporation of Bangladesh as "Trustee". The Trust Deed was executed on 20 January 2014 The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 03 February 2014 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The prospectus was approved by the BSEC on 19 February 2014 in accordance with the সিকিউরিটিজ ও এক্সচেঞ্জ Kwgkb (wgDP¨qvj dvÛ) wewagvjv 2001. The operation of the Fund commenced on 19 February 2014.

ICB Asset Management Company Ltd (ICB AMCL) is the Manager of the Fund. ICB AMCL was created as part of the restructuring programme of ICB under Capital Market Development Programme (CMDP) initiated by the Government of the Peoples' Republic of Bangladesh and the Asian Development Bank (ADB). The Company was incorporated as a public limited company under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms on 5 December, 2000 with an authorized capital of Tk 100 crore and a nominal paid up capital of Tk 2 lac which was subsequently increased to Tk 39.37 crore. Registration of the company with the SEC has been completed on 14 October 2001. The Company became operational from 1 July 2002 as per government gazette notification.

ICB AMCL Converted First Unit Fund is an open ended Mutual Fund. The objective of the Fund is to provide attractive dividend to the unit holders by investing the proceeds in the capital market and money market. The Units are transferable and can be redeemed by surrendering them to Fund.

2 Significant Accounting Policies

2.1 Basis of preparation of accounts

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Fund so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards except IAS 39(BAS 39)& IAS 32(BAS 32). The disclosures of information made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987 and other applicable Rules and regulations.

2.2 Investment

(a) All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell the investments.

(b) Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost.

2.2.1 Valuation of investments

The market value of listed securities are valued at average closing quoted market price on the stock exchanges on the date of valuation ie, on 30 June 2018.

As per requirement of IAS 32 (BAS 32) the financial assets must be classified whether it is debt instrument or equity instrument and the subsequent measurement of financial assets will be based on this classification as per IAS 39 (BAS 39). Debt instruments would normally be measured at fair value through profit and loss, but could be measured at amortized cost if they have been shown to do so, provided the passing of "business model test" and "contractual cash flow characteristics test". Equity instruments would be measured at "fair value through profit and loss" or "fair value through comprehensive income", provided that the equity instrument cannot be held for trading and there must be an irrevocable choice for this designation up on initial recognition.

Considering the volatility of the stock markets in Bangladesh, the fund measures and recognize the investment in financial assets at cost. If the fund measures and recognize the financial assets at fair value through the recognition of fair value gain in the profit and loss account and distributes the 50% of this gain among unit holders (Rule 66 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001), there would not be any option open to the fund to adjust the fair value losses in case of unlikely circumstances in the subsequent period.

2.3 Provision for marketable investment

The investments have been valued on aggregate portfolio basis and a provision is required to be made considering overall decrease in the value of the investments. To meet any future unforeseen diminution in the value of the investment portfolio over the cost, the management has established a policy of making a general provision out of its profit and has set up an accumulated general provision for Tk 3,06,78,558.00.

Provision against unrealized losses arising from investment in mutual fund units are maintained as per Bangladesh Securities and Exchange Commission directive no. SEC/CMRRCD/2009-193/172 as on 30 June 2015. Provision is calculated as, Required Provision (RP)= Average cost price (CP) - NAVcmp*85%.

2.4 Deferred Revenue Expenditure (Preliminary and Issue Expenses)

Preliminary and issue expenses represent expenditure incurred prior to commencement of operations and establishment of the Fund. These costs are amortised within seven years' tenure.

2.5 Taxation

The income of the Fund is exempted from income tax as per SRO no. 333 Dated 27.10.2011.

2.6 Pricing of units

Units issued are recorded at the offer price, determined by the management Company for the applications received during business hours on that date/week. The offer price represents the Net Asset Value per unit as of the close of the business day of each week plus the allowable difference between sales and repurchases prices (at present Tk. 0.30 (paisa thirty) only). Units redeemed are recorded at the redemption price. The redemption price represents Net Asset Value.

2.7 Premium on sale of units

This indicates the difference between sales and repurchase price, which at present is Tk 0.30 per unit.

2.8 Dividend policy

As per Rule 66 of the Wসকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the Fund is required to distribute in the form of dividend to its unit holders an amount which shall not be less than 50% of annual profit during the year, net of provisions.

2.9 Management fee

ICB Asset Management Company Ltd, the management company of the Fund is to be paid an annual management fees on weekly average net asset value (NAV) as per Rule 65 of Securities and Exchange Commission (Mutual Fund) Bidhimala (Rules) 2001 and Trust Deed at the following rates:

NAV (Taka)	Rate (%)
Not exceeding Taka 5 crore	2.50%
Exceeding Taka 5 crore and up to Taka 25 crore	2.00% on additional amount
Exceeding Taka 25 crore and up to Taka 50 crore	1.50% on additional amount
Exceeding Taka 50 crore	1.00% on additional amount

2.10 Trusteeship fee

The Trustee is entitled to an annual Trusteeship Fee of @ 0.10% on weekly average NAV of the Fund on semi annual in advance basis during the entire life of the Fund.

2.11 Custodian fee

The Custodian is entitled to receive a safekeeping fee @ 0.10% on the balance of securities calculated on the average month end value per annum.

2.12 Registration and other charges/annual fee to SEC

As per Rule 11 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, the Fund is required to pay an annual fee to SEC an amount equal to @ 0.10% of the value of the Fund or Tk 50,000 whichever is higher.

2.13 Revenue recognization

Gains/losses arising on sale of investment are included in the Revenue Account on the date at which the transaction takes place. Dividend and interest income are recognised on accrual basis.

		Amount in Taka	
3	**Marketable investment at cost**	**June 30,2018**	**June 30,2017**
	Equity shares (Note 3.1)	48,70,61,654	50,57,14,688
		48,70,61,654	**50,57,14,688**

3.1 Sector wise break up of investments in shares is as follows:

Sector/category	No of shares	Total cost price (Tk)	Total market price (Tk)	Difference excess/(short)
Banks	14,69,500	2,43,73,253	2,10,73,025	(33,00,228)
Investment	3,50,000	38,13,436	49,92,500	11,79,064
Engineering	9,70,466	4,94,46,079	3,48,68,440	(1,45,77,639)
Food and allied products	2,00,000	84,37,461	75,00,000	(9,37,461)
Fuel and power	6,67,700	7,83,27,869	6,48,13,590	(1,35,14,279)
Textiles	32,60,244	6,35,98,617	4,39,01,613	(1,96,97,004)
Pharmaceuticals	5,57,000	6,26,72,766	5,65,64,300	(61,08,466)
Service	1,51,740	56,60,929	39,62,394	(16,98,535)
Cement	3,27,166	3,30,95,388	2,42,13,102	(88,82,286)
Ceramic	1,48,325	88,79,803	65,30,781	(23,49,022)
Insurance	15,27,909	5,13,83,775	3,44,63,576	(1,69,20,198)
Telecommunication	1,30,000	2,00,70,923	1,60,68,000	(40,02,923)
Travel & Leisure	2,96,000	1,40,56,277	88,83,350	(51,72,927)
Finance and leasing	18,32,500	4,51,30,936	3,11,14,750	(1,40,16,186)
Corporate bond	5,000	47,70,839	47,76,250	5,411
Miscellaneous	2,89,500	1,33,43,303	1,23,19,950	(10,23,353)
	1,21,83,050	**48,70,61,654**	**37,60,45,622**	**(11,10,16,033)**

		Amount in Taka	
4	**Cash at bank**		
	STD Accounts with	**June 30,2018**	**June 30,2017**
	IFIC Bank limited,Motijheel Br.	51,08,368	66,85,511
	Dhaka Bank Ltd, Local Office STD account	5,99,450	5,79,760
	Dhaka Bank Ltd, Local Office Escrow account	55,224	54,968
	STD/SND Accounts with selling agent		
	IFIC Bank Limited,Barishal Br.	10,569	2,92,403
	IFIC Bank Limited,Bogra Br.	6,180	5,888
	IFIC Bank Limited,Agrabad Br.	2,59,261	3,47,553
	IFIC Bank Limited,Rajshahi Br.	3,934	43,746
	IFIC Bank Limited,Khulna Br.	3,73,283	1,02,325
	IFIC Bank Limited,Sylhet Br.	4,66,134	57,034
	IFIC Bank Limited,Nayapaltan Br.	22,92,707	3,44,187
	Dividend account		
	IFIC Bank Ltd Federation Branch (D/A -03-04)	42,602	41,902
	IFIC Bank Ltd Federation Branch (D/A -04-05)	1,01,092	97,899
	IFIC Bank Ltd Federation Branch (D/A -05-06)	3,41,888	3,29,365
	IFIC Bank Ltd Federation Branch (D/A -06-07)	3,29,253	3,17,240
	IFIC Bank Ltd Federation Branch (D/A -07-08)	8,08,736	7,77,730
	IFIC Bank Ltd Federation Branch (D/A -08-09)	9,18,365	8,82,937
	IFIC Bank Ltd Federation Branch (D/A -09-10)	17,60,884	16,93,445
	IFIC Bank Ltd Federation Branch (D/A -10-11)	9,49,599	9,12,912
	Shahjalal Islamic Bank Ltd., Motijheel Br. MSND (D/A -11-12)	23,82,266	23,19,386
	Shahjalal Islamic Bank Ltd., Motijheel Br. MSND (D/A -12-13)	15,10,100	14,72,642
	IFIC Bank Ltd Motijheel Branch (D/A -13-14)	10,64,126	10,27,811
	IFIC Bank Ltd Motijheel Branch (D/A -14-15)	9,15,447	9,21,014
	IFIC Bank Ltd Motijheel Branch (D/A -15-16)	15,38,204	15,66,881
	IFIC Bank Ltd Motijheel Branch (D/A -16-17)	15,02,835	-
	Total	**2,33,40,507**	**2,08,74,539**

		Amount in Taka	
		June 30,2018	**June 30,2017**
5	**Other current assets**		
	Dividend receivable	15,32,216	8,89,301
	Interest on Bond	4,33,000	-
	IPO application	22,00,000	80,00,000
	Annual fee paid advance	-	49,215
	Receivable from ISTCL for sale of shares	23,35,174	4,23,444
		65,00,390	**93,61,960**
6	**Deferred revenue expenditure (Preliminary and Issue Expenses)**		
	Advertisement	1,18,385	1,18,385
	Formation fee	23,65,744	23,65,744
	Legal Expenses	53,725	53,725
		25,37,854	**25,37,854**
	Less: Amortization of Preliminary expenses	18,12,754	14,50,204
	Balance as on 30 June	**7,25,100**	**10,87,650**
7	**Unit capital**		
	Balance as on 1 July	42,82,58,020	47,04,67,720
	Add: unit sold during the year	84,27,290	89,37,630
		43,66,85,310	47,94,05,350
	Less: unit surrender by holder	3,43,54,560	5,11,47,330
	Balance as on 30 June	**40,23,30,750**	**42,82,58,020**
	The unit capital represents 4,02,33,075 number of units of Tk 10 each in circulation with premium.		
8	**Reserve and surplus**		
	Unit premium reserve (Note 8.1)	1,50,79,596	1,43,83,889
	Retained earnings (Note 8.2)	4,86,78,906	4,91,15,880
		6,37,58,502	**6,34,99,769**
8.1	**Unit premium reserve**		
	Balance as on 1 July	1,43,83,889	1,16,95,188
	Add: adjustment for unit surrender	10,27,798	33,74,884
		1,54,11,687	1,50,70,072
	Less: premium on sales of unit	3,32,091	6,86,183
	Balance as on 30 June	**1,50,79,596**	**1,43,83,889**
8.2	**Retained earning**		
	Balance as at July 01	4,91,15,880	4,04,29,266
	Less: Last year dividend	2,56,95,481	2,35,23,386
	Add: Last year adjustment	4,13,258	1,23,362
		2,38,33,657	**1,67,82,518**
	Add: Addition during the year	2,48,45,249	3,23,33,362
	Balance as at June 30	**4,86,78,906**	**4,91,15,880**
9	**Provision for Marketable Investments**		
	Opening balance	2,56,78,558	1,96,78,558
	Add: provision for other investment	50,00,000	60,00,000
	Total provisions (Note 2.03)	**3,06,78,558**	**2,56,78,558**
10	**Current liabilities**		
	Management fee payable to ICB AMCL	80,22,613	77,23,368
	Custodian fee payable to ICB	4,22,203	4,19,333
	Audit fee payable	17,250	17,250
	Annual fee payable to BSEC	51,805	-
	Unit sales commission payable	10,746	10,549
	Share application money refundable	45,000	45,000
	Other expenses payable	4,000	74,213
	Suspense	-	3,47,133
	Dividend payable (Note-10.1)	1,22,86,224	1,09,65,644
	Total current liabilities	**2,08,59,841**	**1,96,02,490**

		Amount in Taka	
10.1	**Dividend payable**	**June 30,2017**	**June 30,2016**
	Dividend payable 2003-04	39,420	39,420
	Dividend payable 2004-05	90,400	90,400
	Dividend payable 2005-06	2,95,120	2,95,120
	Dividend payable 2006-07	2,78,600	2,78,600
	Dividend payable 2007-08	6,73,875	6,73,875
	Dividend payable 2008-09	7,76,925	7,76,925
	Dividend payable 2009-10	15,06,750	15,06,750
	Dividend payable 2010-11	8,05,450	8,05,450
	Dividend payable 2011-12	20,48,000	20,48,000
	Dividend payable 2012-13	12,25,630	12,25,630
	Dividend payable 2013-14	8,33,624	8,44,173
	Dividend payable 2014-15	7,61,259	8,08,934
	Dividend payable 2015-16	14,91,654	15,72,367
	Dividend payable 2016-17	14,59,517	-
		1,22,86,224	**1,09,65,644**
11	**Interest on bank deposits and bonds**		
	Interest income on Short Term deposits	10,39,323	12,39,367
	Interest income on Listed Bond	4,33,000	4,47,000
		14,72,323	**16,86,367**
12	**Other operating expenses**		
	Printing and stationery	19,320	28,680
	Postage and telegram	-	2,650
	Bank charges	24,378	25,465
	Excise duty	60,450	32,300
	Publicity expenses	2,80,229	3,05,715
	CDBL charges	42,028	72,210
	Dividend distribution expenses	4,089	-
	IPO application expenses	43,000	-
	Others	42,120	38,805
		5,15,614	**5,05,825**