Prime Bank 1st ICB AMCL Mutual 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 (igDP¨qvj dvÛ) wewagvjv 2001, the yearly audited accounts of the Prime Bank 1st ICB AMCL Mutual 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			
Marketable securities -at cost	3.00	1,19,99,66,076	1,19,74,13,377
Bank balance	4.00	6,46,69,972	4,98,58,983
Other current assets	5.00	1,03,55,208	1,19,50,510
Preliminary and issue expenses	6.00	19,03,220	38,06,440
Total Assets		**1,27,68,94,476**	**1,26,30,29,310**
Equity and Liabilities			
Capital	7.00	1,00,00,00,000	1,00,00,00,000
Reserve and surplus	8.00	12,48,01,725	11,96,51,414
Provision for Marketable Investments	9.00	9,50,57,842	8,70,57,842
Total Equity		**1,21,98,59,567**	**1,20,67,09,256**
Liabilities:			
Current liabilities	10.00	5,70,34,909	5,63,20,054
Total Equity and Liabilities		**1,27,68,94,476**	**1,26,30,29,310**
Net Asset Value (NAV)			
At cost price		**12.20**	**12.07**
At market price		**8.62**	**9.76**

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			
Profit on sale of investments		6,39,76,909	6,79,20,770
Sale of unit certificate		-	54,00,715
Dividend from investment in shares		3,62,14,507	2,70,81,192
Interest on bank deposits	11.00	24,36,639	33,61,465
Total income		**10,26,28,055**	**10,37,64,142**
Expenses			
Management fee		1,34,56,697	1,27,72,495
Trustee fee		10,00,000	10,00,000
Custodian fee		9,29,635	8,76,694
Annual Fee		8,59,145	9,75,776
Listing fee		10,00,000	10,00,000
Audit fee		17,250	17,250
Deferred revenue expenditure written off		19,03,220	19,03,220
Other operating expenses	12.00	6,68,335	7,56,688
Total expenses		**1,98,34,282**	**1,93,02,123**
Profit before provision		**8,27,93,773**	**8,44,62,019**
Provision for Marketable Investments	9.00	80,00,000	58,99,792
Net profit for the year		**7,47,93,773**	**7,85,62,227**
Earnings Per Unit		**0.75**	**0.79**

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

Particulars	Share Capital	Dividend equalization Reserve	Provision for Marketable investment	Retained Earnings	Total Equity
Balance as at July 01, 2017	**1,00,00,00,000**	**2,33,08,918**	**8,70,57,842**	**9,63,42,496**	**1,20,67,09,256**
Provision for Marketable Investments	-	-	80,00,000	-	80,00,000
Last year dividend	-	-	-	(7,00,00,000)	(7,00,00,000)
Last year adjustment	-	-	-	3,56,538	3,56,538
Net profit for the period	-	-	-	7,47,93,773	7,47,93,773
Balance as at June 30, 2018	**1,00,00,00,000**	**2,33,08,918**	**9,50,57,842**	**10,14,92,807**	**1,21,98,59,567**
Balance as at July 01, 2016	**1,00,00,00,000**	**1,75,00,000**	**8,11,58,050**	**9,38,69,269**	**1,19,25,27,319**
Dividend equalization Reserve	-	**58,08,918**	-	**(58,08,918)**	-
Provision for Marketable Investments	-	-	58,99,792	-	58,99,792
Last year dividend	-	-	-	(7,00,00,000)	(7,00,00,000)
Last year adjustment	-	-	-	(2,80,082)	(2,80,082)
Net profit for the period	-	-	-	7,85,62,227	7,85,62,227
Balance as at June 30, 2017	**1,00,00,00,000**	**2,33,08,918**	**8,70,57,842**	**9,63,42,496**	**1,20,67,09,256**

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	3,30,44,811	2,55,08,433
Interest on bank deposits	15,43,793	33,61,465
Expenses	(1,69,88,021)	(1,63,92,085)
Net cash inflow/(outflow) from operating activities	**1,76,00,583**	**1,24,77,813**
Cash flow from investment activities		
Sales of shares-marketable investment	34,16,21,005	44,81,56,894
Purchase of shares-marketable investment	(28,06,19,420)	(39,90,21,578)
Share application money deposit	(1,62,00,000)	(5,52,00,000)
Shares application money refunded	2,20,00,000	4,72,00,000
Net cash inflow/(outflow) from investment activities	**6,68,01,585**	**4,11,35,316**
Cash flow from financing activities		
Other liabilities (Share money deposit and others)	(4,85,000)	(19,05,000)
Dividend paid	(6,91,06,179)	(6,85,63,294)
Net cash inflow/(outflow) from financing activities	**(6,95,91,179)**	**(7,04,68,294)**
Net cash flow increase/(decrease)	**1,48,10,989**	**(1,68,55,165)**
Cash equivalent at beginning of the year	4,98,58,983	6,67,14,148
Cash equivalent at end of the year	**6,46,69,972**	**4,98,58,983**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.18**	**0.12**

General Information:

Sponsor	Prime Bank Limited		
Trustee	Investment Corporation of Bangladesh		
Custodian	Investment Corporation of Bangladesh		
Auditor	Khan Wahab Shafique Rahman & Co.		
Banker	Prime Bank Limited, SBC Tower Branch, Dhaka.		
Other Financial Information:		**June 30, 2018**	**June 30, 2017**
Dividend (cash)		7%	7%

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**

Prime Bank 1st ICB AMCL Mutual Fund
Notes to financial statements
For the year ended June 30, 2018

1.00 Legal status and nature of business

The Prime Bank 1st ICB AMCL Mutual Fund was established under a Trust Deed executed on 03 September 2009 between the Prime Bank Limited as 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as 'Trustee'. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 16 September 2009 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The prospectus was approved by the BSEC on November 02,2009 in accordance with the wmwKDwiwUR I এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The operation of the Fund commenced on 26 January 2010.

ICB Asset Management Company Ltd. (ICB AMCL) is the Manager of the Fund. The 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 December 05, 2000 with an authorized capital of Tk. 100.00 crore and a paid up capital of Tk. 2.00 lac which was subsequently increased to Tk. 39.37 crore. Registration of the Company with the SEC has been completed on October 14, 2001. The Company became operational from July 01, 2002 as per government gazette notification.

The Prime Bank 1st ICB AMCL Mutual Fund is a close-end Mutual Fund of 10 years tenure. The objectives of the Fund are to provide attractive dividend to the unit holders by investing the proceeds in the Capital Market and Money Market. The Fund is listed in the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The units of the Fund are transferable.

2.00 Significant Accounting Policies

2.01 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. The disclosures of information made in accordance with the requirements of Trust Deed, Securities and Exchange Rules 1987 and other applicable Rules and regulations.

2.02 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.

2.02.01 Valuation of investments

The market value of the listed securities are valued at average closing quoted market price on the stock exchanges on the date of valuation ie, on June 30, 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 amortised 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 70% 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.

2.03 Provision for Marketable Investments

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. As stated in Note 3.01 there is a deficit of Tk. 35,80,81,850 in the market value of shares as on June 30, 2018 in comparison to the cost price. 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. 9,50,57,842 (see Note 9.00).

Provision against unrealized losses arising from investment in mutual fund units are maintained as per

2.04 Taxation

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

2.05 Preliminary and issue expenses

Preliminary and issue expenses represent expenditure incurred prior to the commencement of operations and establishment of the Fund. These cost are adjusted with the interest income from escrow account as per Rule 48 of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001.

2.06 Dividend policy

As per Rule 66, of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvU) wewagvjv 2001, the Fund is required to distribute in the form of dividend to its unitholders an amount which shall not be less than 70% of annual profit during the year, net provisions.

2.07 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

2.08 Trustee fee

The Trustee is entitled to an annual Trusteeship Fee @ 0.10% of the scheme size i.e. Tk.1,000,000.00 on semi-annually during the life of the Fund.

2.09 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.

2.10 Registration and other charges/annual fee to SEC

As per Rule 11 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001, Fund is required to pay an annual fee to SEC an amount equal to @ 0.10% of the Net Asset value of the Fund. As per listing regulations the Fund is required to pay amount equal to @ 0.05% of the Fund to each stock exchanges as annual listing fee.

2.11 Revenue recognization

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

		Amount in Taka	
3.00	**Marketable Securities (At Cost)**	**June 30, 2018**	**June 30, 2017**
	Equity Shares **(Note 3.01)**	1,19,99,66,076	1,19,74,13,377
	Unit certificate	-	-
		1,19,99,66,076	**1,19,74,13,377**

3.01 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	50,63,173	9,29,81,158	8,32,58,117	(97,23,041)
Investment/fund	63,11,087	4,92,21,058	4,63,61,804	(28,59,254)
Engineering	16,64,904	11,88,45,167	6,68,31,356	(5,20,13,811)
Food and Allied products	2,30,746	73,93,091	66,71,565	(7,21,526)
Fuel & Power	24,38,477	18,16,37,053	13,63,79,235	(4,52,57,818)
Textiles	39,67,257	6,96,81,258	5,04,29,348	(1,92,51,909)
Pharmaceuticals	18,66,598	15,00,38,844	14,04,21,459	(96,17,385)
Services	2,98,350	2,89,56,720	82,13,907	(2,07,42,813)
Cement	2,83,877	3,62,01,458	2,50,11,757	(1,11,89,701)
Information technology	1,25,849	49,38,071	45,09,140	(4,28,931)
Ceramic	8,80,290	3,23,41,660	2,17,00,056	(1,06,41,604)
Insurance	40,81,292	13,88,93,264	9,23,64,869	(4,65,28,394)
Telecommunication	76,600	1,99,01,891	2,37,16,470	38,14,579
Travel & Leisure	3,76,689	92,59,245	52,64,584	(39,94,661)
Finance and leasing	32,99,557	16,10,26,729	9,39,66,723	(6,70,60,006)
Corporate bond	10,300	93,69,195	98,39,075	4,69,880
Miscellaneous	10,06,300	8,92,80,215	2,69,44,760	(6,23,35,455)
	3,19,81,346	**1,19,99,66,076**	**84,18,84,226**	**(35,80,81,850)**

		June 30, 2018	June 30, 2017
4.00	**Cash and Bank Balances**		
	Prime Bank Ltd. SBC Tower, STD account	2,53,69,044	1,20,80,188
	IFIC Bank Ltd, Motijheel Escrow account	2,23,67,935	2,22,49,081
	IFIC Bank Ltd Federation Branch (D/A -09-10)	9,10,618	9,04,024
	IFIC Bank Ltd Federation Branch (D/A -10-11)	44,29,708	43,35,630
	Shahjalal Islamic Bank Ltd., Motijheel Br. MSND (D/A -11-12)	16,14,465	15,79,152
	IFIC Bank Ltd Motijheel Branch (D/A -13-14)	41,02,677	39,19,743
	IFIC Bank Ltd Motijheel Branch (D/A -14-15)	13,13,000	13,65,982
	IFIC Bank Ltd Motijheel Branch (D/A -15-16)	15,02,642	15,00,838
	IFIC Bank Ltd Motijheel Branch (D/A -16-17)	10,58,271	-
	Sub total	**6,26,68,360**	**4,79,34,638**
	Foreign currency accounts: (4.01)		
	IFIC Bank Ltd, Motijheel Branch (USD) (Note 4.01)	18,30,887	17,62,858
	IFIC Bank Ltd, Motijheel Branch (GBP) (Note 4.01)	93,640	88,918
	IFIC Bank Ltd, Motijheel Branch (EUR) (Note 4.01)	77,085	72,569
	Sub total	**20,01,612**	**19,24,345**
	Total Cash and Bank Balances	**6,46,69,972**	**4,98,58,983**

4.01 The above foreign currency accounts were opened/maintained for collection/refund of share application money (unit capital) from non-resident Bangladeshis, as per bank statements their closing balances were USD 21,874.4, GBP 847.09 and EUR 788.30 respectively at 30 June 2018, awaiting for clearance and the conversion rate of BDT with foreign currency are as follows USD 83.7000 GBP 110.5426 and EUR 97.7867.

		Amount in Taka	
5.00	**Other current assets**	**June 30, 2018**	**June 30, 2017**
	Dividend receivable	64,40,594	34,50,510
	Interest receivable	8,92,846	-
	IPO application	22,00,000	80,00,000
	Receivable for sale of share	3,21,768	-
	Security deposit	5,00,000	5,00,000
		1,03,55,208	**1,19,50,510**
6.00	**Deferred revenue expenditure (Preliminary and Issue Expenses)**		
	Printing and stationery	12,21,637	12,21,637
	Entertainment	10,06,080	10,06,080
	Postage and telegram	1,98,268	1,98,268
	Registration fee and listing fee	53,95,000	53,95,000
	Bank charges	27,267	27,267
	Advertisement	4,94,212	4,94,212
	Issue expenses	54,21,660	54,21,660
	Lottery conduction fees	2,09,000	2,09,000
	Banker to the issue commission	41,62,780	41,62,780
	CDBL Fee	3,58,500	3,58,500
	Rent Expenses	3,17,180	3,17,180
	Formation fee	1,00,00,000	1,00,00,000
		2,88,11,584	**2,88,11,584**
	Less: profit on bank deposits	99,30,609	99,30,609
		1,88,80,975	**1,88,80,975**
	Add: Loss of convertion of FC	1,51,299	1,51,299
		1,90,32,274	**1,90,32,274**
	Less: Amortization of Preliminary expenses (1,52,25,834+1,903,220)	1,71,29,054	1,52,25,834
	Balance as on June 30	**19,03,220**	**38,06,440**
7.00	**Unit capital**		
	100,000,000 number of units of Tk 10 each in circulation.	**1,00,00,00,000**	**1,00,00,00,000**
8.00	**Reserve and surplus**		
	Dividend equalization reserve (Note 8.01)	2,33,08,918	2,33,08,918
	Retained earning (Note 8.02)	10,14,92,807	9,63,42,496
		12,48,01,725	**11,96,51,414**
8.01	**Dividend equalization reserve**		
	Balance as at July 01	2,33,08,918	1,75,00,000
	Addition during the year	-	58,08,918
	Balance as at June 30	**2,33,08,918**	**2,33,08,918**
8.02	**Retained earning**		
	Balance as at July 01	9,63,42,496	9,38,69,269
	Less: Last year dividend	7,00,00,000	7,00,00,000
	Less: Dividend equalization reserve	-	58,08,918
	Add: Last year adjustment	3,56,538	2,80,082
		2,66,99,034	**1,77,80,269**
	Addition during the year	7,47,93,773	7,85,62,227
	Balance as at June 30	**10,14,92,807**	**9,63,42,496**

		Amount in Taka	
		June 30, 2018	June 30, 2017
9.00	**Provision for Marketable Investments**		
	Opening balance	8,70,57,842	8,11,58,050
	Add: provision for investment in Mutual Fund	-	8,99,792.00
	Add: provision for other investment	80,00,000	50,00,000
	Total provisions (Note 2.03)	**9,50,57,842**	**8,70,57,842**
10.00	**Current liabilities**		
	Management fee payable to ICB AMCL	1,34,56,697	1,27,72,495
	Custodian fee payable to ICB	9,29,635	8,76,694
	Audit fee	17,250	17,250
	Annual Fee (SEC) Payable	14,293	2,29,199
	Share application money refundable	56,97,612	61,05,345
	Dividend payable (Note- 10.01)	3,69,09,422	3,60,15,601
	Payable to ISTCL	-	1,00,858
	Suspanse	-	1,79,612
	Others	10,000	23,000
	Total current liabilities	**5,70,34,909**	**5,63,20,054**
10.01	**Dividend payable**		
	Dividend payable 2009-10	1,71,13,225	1,71,11,075
	Dividend payable 2010-11	98,88,454	98,85,804
	Dividend payable 2011-12	24,90,514	24,96,764
	Dividend payable 2013-14	33,60,315	33,67,565
	Dividend payable 2014-15	14,94,093	16,30,562
	Dividend payable 2015-16	14,75,041	15,23,831
	Dividend payable 2016-17	10,87,780	-
		3,69,09,422	**3,60,15,601**
11.00	**Interest on Bank Deposit and Bonds**		
	Interest on short term deposit	15,43,793	24,39,751
	Interest on Listed Bond	8,92,846	9,21,714
		24,36,639	**33,61,465**
12.00	**Other operating expenses**		
	Printing and stationary	26,975	30,757
	Postage and Telegram	-	3,080
	Bank charges and excise duty	86,534	59,490
	Advertisement Expense	2,66,532	2,66,608
	CDBL annual fee & Connection charge	1,06,000	2,12,000
	Dividend distribution expenses	41,419	46,852
	CDBL Charges	77,493	1,13,050
	IPO application expenses	43,000	-
	Others	20,382	24,851
		6,68,335	**7,56,688**