



এম এম রহমান এন্ড কোং
M M Rahman & Co.
Chartered Accountants



*Auditors' Report and
Audited Financial Statements
Of
Credence First Shariah
Unit Fund*

For the period ended June 30, 2018

Affiliate Firm of But Do Yeung C.P.A Limited



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Unit Fund*

For the period ended June 30, 2018

Independent Auditor's Report To the Trustee of Credence First Shariah Unit Fund

We have audited the accompanying financial statements of **Credence First Shariah Unit Fund** which comprises the statement of financial positions as at June 30, 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from March 04, 2018 to June 30, 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), The Securities and Exchange Rules, 1987, The Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001, Trust Act, 1882 and other applicable rules and regulation, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2018 and of the results of its operations and cash flows for the period then ended and comply with the requirement of The Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001 and other applicable laws and regulations.

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 account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The Statement of Financial Position and Statement of Comprehensive Income and Statement of Cash Flow dealt with by the report are in agreement with the books of account and returns.

Dated: Dhaka
August 12, 2018


(M M Rahman & Co.)
Chartered Accountants

CREDENCE FIRST SHARIAH UNIT FUND

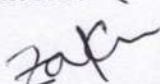
Statement of Financial Position


As at 30 June 2018

In Taka	Notes	30-Jun-2018
Investment		
Investment in Share	3.00	69,235,197
Total Investment		69,235,197
Deposits		
Bank Deposit	4.00	30,965,881
Other Deposit	5.00	998
Total Deposits		30,966,879
Other Current Assets		
Accounts Receivables	6.00	583,919
Advance, Deposit and Prepayments	7.00	108,710
Total Current Assets		692,629
Deferred Revenue Expenditure		
Preliminary and Issue Expense	8.00	3,135,700
Total Deferred Expenditure		3,135,700
Total Assets		104,030,405
Equity		
Unit Capital Fund	9.00	99,953,000
Reserves and Surplus	10.00	(660,817)
Total Equity		99,292,183
Current Liabilities		
Liabilities for Expenses	11.00	825,833
Total Current Liabilities		825,833
Provision		
Provision against Investment in Share	3.01	3,912,389
Total Provision		3,912,389
Total Liabilities		4,738,222
Total Equity and Liabilities		104,030,405


Net Asset Value (NAV)

At Cost Price	12.00	10.33
At Market Price	13.00	9.93


For Credence Asset Management Ltd.
Asset Manager


For Investment Corporation of Bangladesh (ICB)
Trustee

Dated: Dhaka
August 12, 2018


M M Rahman & Co.
Chartered Accountants



CREDENCE FIRST SHARIAH UNIT FUND

Statement of Comprehensive Income

For the period from 04 March 2018 to 30 June 2018

In Taka	Notes	04-Mar-18 to 30-Jun-18
Income		
Dividend Income	14	1,311,661
Profit on Deposit	15	1,387,119
Gain on Sale of Marketable Securities	16	1,926,307
Total Income		4,625,087
Expenses		
Management Fees		733,664
Trustee fees		55,178
Advertisement Expenses	17	23,000
Audit Fee	18	28,750
Other Operating Expenses	19	379,638
Amortization of preliminary and issue expenses	8	156,785
Total Expenses		1,377,015
Profit before Provision		3,248,072
Provision against Investment in Share		3,912,389
Net Profit for the period		(664,317)
Earnings per Unit (EPU)		-0.07

These financial statements should be read in conjunction with annexed notes

For Credence Asset Management Ltd.

Asset Manager

For Investment Corporation of Bangladesh (ICB)

Trustee

Dated: Dhaka
August 12, 2018

M M Rahman & Co.
Chartered Accountants



CREDENCE FIRST SHARIAH UNIT FUND

Statement of Changes in Equity
From 04 March 2018 to 30 June 2018

In Taka	Unit Capital	Unit Premium	Retained Earning	Total Equity
Opening Balance on 04 March 2018	100,000,000	-	-	100,000,000
Unit Capital raised during the period	93,000	-	-	93,000
Less Unit Repurchase	(140,000)	-	-	(140,000)
Unit Premium Reserve	-	3,500	-	3,500
Unrealized Gain or Loss	-	-	-	-
Net Profit During the period	-	-	(664,317)	(664,317)
Balance on 30 June 2018	99,953,000	3,500	(664,317)	99,292,183

For Credence Asset Management Ltd.

Asset Manager

For Investment Corporation of Bangladesh (ICB)

Trustee

Dated: Dhaka
August 12, 2018



M M Rahman & Co.
Chartered Accountants

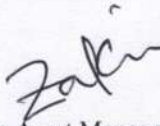


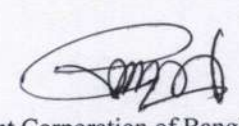
CREDENCE FIRST SHARIAH UNIT FUND

Statement of Cashflow

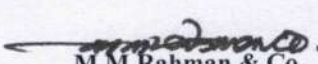
For the period from 04 March 2018 to 30 June 2018

In Taka	04-Mar-18 to 30-Jun-18
Cash flows from operating activities	
Gain on sale of investments	1,926,307
Profit Received on Deposit	1,387,119
Dividend income	727,742
Trustee Fees Paid	(80,178)
Advertisement Expense	(10,000)
Annual Subscription fee to BSEC	(99,565)
CDBL Settlement and demat charge	(12,028)
Annual Fee to CDBL	(26,000)
Other operating expenses	(275,336)
Net cash from operating activities	3,538,061
Cash flows from investing activities	
Net investment in shares and securities	(69,235,197)
Preliminary & issue expenses	(3,292,485)
Net cash from investing activities	(72,527,682)
Cash flows from financing activities	
Proceeds from issuance of units	100,093,000
Proceeds made for re-purchase of units	(136,500)
Net cash from financing activities	99,956,500
Net cash flows for the period	30,966,879
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	30,966,879
Net operating cash flows per unit	0.35


For Credence Asset Management Ltd.
Asset Manager


For Investment Corporation of Bangladesh (ICB)
Trustee

Dated: Dhaka
August 12, 2018


M M Rahman & Co.
Chartered Accountants

CREDENCE FIRST SHARIAH UNIT FUND

Notes to the financial statements

For the period from 04 March 2018 to 30 June 2018

1.0 Introduction

Credence First Shariah Unit Fund (here-in-after referred to the "Fund") was constituted through a Trust Deed signed on 08 October 2017 between Credence Asset Management Limited as 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as 'Trustee' under the Trust Act 1882 and Registration Act 1908. The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on 29 October 2017 vide registration no. BSEC/Mutual Fund/2017/84 under the Securities and Exchange Commission (Mutual Fund) Rules 2001. The operation of the Fund was commenced on 04 March 2018.

The Investment Corporation of Bangladesh (ICB) is custodian of the fund and Credence Asset Management Limited manages the operations of the fund as Fund Manager. Credence Asset Management Company Limited (CAML), is one of the growing asset management companies of the country. CAML is established by a group of highly experienced capital market professionals and seasoned business personalities with a view to bringing positive change in the fund management segment of our capital market.

1.01 Objectives

The objective of Credence First Shariah Unit Fund is to earn superior risk adjusted return by maintaining a diversified portfolio and provide attractive dividend payments to the unit holders.

2.0 Significant Accounting Policies**2.01 Basis of Accounting**

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 (BFRS). 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 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2.03 Presentation of financial statements

The financial statements are prepared and presented covering the period from 04 March 2018 to 30 June 2018.

2.04 Investment

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the date of trading i.e. the date on which the Fund commits to purchase or sell the investments. Bonus entitlements, if any, are not accounted for as income rather included in the portfolio to reduce the average cost after being confirmed on respective AGM date.

Investment is recorded in the Balance Sheet at cost value where the market value of the investment is given as required by the act.

2.05 Revenue Recognition

Gains/losses arising on sale of investment are included in the Profit or Loss and Other Comprehensive Income on the date at which the transaction takes place. Dividend and interest income are recognized on accrual basis.

2.06 Taxation

No provision for corporate income tax is required to be made in this account since income of this Fund is exempted from income tax under clause (30) of Part A to the Sixth Schedule of the Income Tax Ordinance, 1984.

2.07 Amortization of Preliminary and Issue Expenses

Preliminary and issue expenses represent expenditure incurred prior to commencement of operations and establishment of the Fund. These costs are amortized within seven years' tenure after adjusting interest income from escrow accounts as per trust deed and Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.

2.08 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 Taka.

2.09 Dividend Policy

Pursuant to rule 66 of the Securities and Exchange Commission (Mutual Fund) Bidhimala, 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 of provisions.

2.10 Management Fee

Credence Asset Management, 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. The rate will be applicable as per below:

Weekly Average NAV Amount (TK.)	Percentage (%)
Up to Tk. 5.00 Crore	2.50%
Up to additional Tk. 25.00 Crore Over Tk. 5.00 Crore	2.00%
Up to additional Tk. 50.00 Crore Over Tk. 25.00 Crore	1.50%
Over additional Tk. 50.00 Crore	1.00%

2.11 Trustee Fee

The Trustee is entitled to an annual Trustee Fee of @ 0.15% on NAV of the Fund on semiannual in advance basis during the life of the Fund or as may be agreed upon between the parties.

2.12 Custodian Fee

The Custodian is entitled to receive a safekeeping fee @ 0.15% of the balance of securities and assets held by the fund calculated on the basis of average month end value per annum.

2.13 Annual Fee to BSEC

Annual fee at the rate of 0.10% of the fund size was paid to Bangladesh Securities and Exchange Commission (BSEC) as per Rules 11 (1) of Securities and Exchange Commission (Mutual Fund) Bidhimala, 2001.

2.14 Earning Per Unit

Earning per unit has been calculated in accordance with Bangladesh Accounting Standard - 33 "Earning per Share" and shown on the face of statement of profit or loss and other comprehensive income.

2.15 General

Figures appearing in these financial statements have been rounded off to nearest Taka.

In Taka

04 March 2018
to 30 June 2018

3.00 Investment

Investment in Marketable Securities (Cost)	3.01	68,751,327
Investment in IPO (Cost)	3.02	483,870
Total		69,235,197

3.01 Investment in Marketable Securities (Cost)

Sector/ Category	% of NAV	No. of Share	Cost Value	Market Value	Required (Provision)/ Excess
Bank	8.40%	577,135	8,670,808	7,307,907	(1,362,902)
Pharmaceuticals & Chemicals	17.41%	80,707	17,971,065	17,935,697	(35,368)
Mutual Funds	12.18%	1,453,272	12,574,468	11,856,583	(717,885)
Fuel & Power	0.43%	32,078	441,130	1,316,686	875,556
Telecommunication	9.11%	19,945	9,405,439	7,756,611	(1,648,829)
Engineering	14.40%	241,911	14,866,416	14,153,454	(712,962)
Cement	4.67%	80,000	4,822,000	4,512,000	(310,000)
Total	67%	2,485,048	68,751,327	64,838,938	(3,912,389)

3.02 Investment in IPO

Company	No. of Share	Per Value	Amount
SK TRIMS & Industries Limited	48,387	10	483,870
Total	48,387		483,870

4.00 Bank Deposit

Bank Name	Branch	A/C No.	Amount
Shahjalal Islami Bank	Bijoynagar	13100001684	30,920,657
Dhaka Bank Limited	Motijheel	2141550001488	45,224
Total Bank Balance			30,965,881

5.00 Other Deposit

Brokerage House	Amount
Vision Capital Mgt.	767
Popular Life	231
Total Balance	998

6.00 Accounts Receivables

Dividend Receivable	583,919
Total	583,919

In Taka

04 March 2018
to 30 June 2018

7.00 Advance, Deposit and Prepayments

Advance Trustee Fee (Half yearly)	25,000
Advance Annual Fee to CDBL	17,333
Annual Subscription Fee of BSEC	66,377
Total	108,710

8.00 Preliminary and issue Expense

Opening Balance	3,292,485
Less: Amortization of Preliminary and Issue Expense	156,785
Closing Balance	3,135,700

9.00 Unit Capital Fund

100000000 Untis @ Tk 10 each	100,000,000
Add: Re-Investment (9,300 units)	93,000
Less: Re-Purchase (14,000 units)	(140,000)
Total	99,953,000

10.00 Reserves and Surplus

Notes

Unit Premium	10.01	3,500
Retained Earnings		(664,317)
Total		(660,817)

10.01 Unit Premium

Opening Balance	-
Premium on Repurchase	3,500
Closing Balance	3,500

11.00 Liabilities for Expenses

Management Fees	733,664
CDBL settlement and demat charges	733
Custodian fees	24,686
Audit fees	25,000
VAT on Audit Fee	3,750
Newspaper publication expenses	10,000
VAT on Publication Expense	3,000
Other Payable	25,000
Total	825,833

	04 March 2018 to 30 June 2018
In Taka	

12.00 Net Asset Value (NAV) Per Unit at Cost

NAV at Market Price	99,292,183
Less: Required (Provision)/ Excess	(3,912,389)
	103,204,572
No. of units	9,995,300
NAV per Unit at Cost	10.33

13.00 Net Asset Value (NAV) Per Unit at Market

NAV at Market Price	99,292,183
No. of units	9,995,300
NAV Per Unit at Market Price	9.93

14.00 Dividend Income

AIBL1STMF	188,632
EXIM	583,919
MBL1STMF	322,400
SINGERBD	216,710
Total	1,311,661

15.00 Profit on Deposit

Profit Received on Deposit	1,387,119
Total	1,387,119

16.00 Gain on Sale of Marketable Securities

ADVENT	476,169
ALARABANK	300,000
DAFODILCOM	417,955
INTRACO	930,351
KDSALTD	127,215
SIBL	(325,382)
Total	1,926,307

17.00 Advertisement Expenses

Newspaper Publication Expenses	20,000
VAT on Newspaper Publication Expenses	3,000
Total	23,000

In Taka

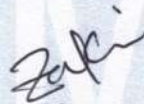
**04 March 2018
to 30 June 2018**


18.00 Audit Fee

Audit Fee to MMR	25,000
VAT on Audit Fee	3,750
Total	28,750

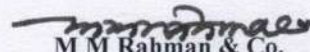
19.00 Other Operating Expenses

Annual Subscription Fees to BSEC	33,188
CDBL settlement and demat charges	12,761
CDBL fees	8,667
Custodian fees	24,686
Brokerage commission	238,642
IPO Application Related Expenses	34,000
Bank charges and excise duty	2,694
Other expenses	25,000
Total	379,638


For Credence Asset Management Ltd.
Asset Manager


For Investment Corporation of Bangladesh (ICB)
Trustee

Dated: Dhaka
August 12, 2018


M M Rahman & Co.
Chartered Accountants