

Prime Financial First Unit Fund

Statement of Financial Position as at 30 September 2022

	<u>Notes</u>	<u>Un-audited 30 September 2022 Taka</u>	<u>Audited 31 December 2021 Taka</u>
ASSETS			
Investment in securities	4	159,609,489	147,206,659
Investment in IPO	5	-	22,034,500
Receivables	6	148,075	2,215,426
Other assets	7	255,269	-
Cash and cash equivalents	8	29,857,221	11,820,305
Total assets .		189,870,054	183,276,890
LIABILITIES			
Accounts payable	9	1,805,155	398,683
Other liabilities	10	681,882	648,661
Unclaimed dividend		-	-
Total liabilities		2,487,037	1,047,344
Net assets		187,383,017	182,229,546
EQUITY			
Capital fund	11	180,570,200	146,593,300
Retained earnings		6,812,817	35,636,246
Total equity		187,383,017	182,229,546
Net Asset Value (NAV) per unit:	12		
at cost		118.68	134.69
at market price		103.77	124.31

The annexed notes 1 to 17 form an integral part of these financial statements.


Md. Hasan Imam
 Head of Finance & Fund Management
 Prime Finance Asset
 Management Company Ltd.


Moir Al Kashem
 Managing Director & CEO
 Prime Finance Asset
 Management Company Ltd.

Dhaka, 27 October 2022

Prime Financial First Unit Fund

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2022

	Notes	From 1 Jan to 30 Sep 2022 <u>Taka</u>	From 1 Jan to 30 Sep 2021 <u>Taka</u>	Q3 From 1 Jly to 30 Sep 2022 <u>Taka</u>	Q3 From 1 Jly to 30 Sep 2021 <u>Taka</u>
INCOME					
Capital gain		8,976,013	28,647,711	3,958,714	5,141,396
Interest Income	13	255,269	1,510,718	92,952	703,452
Dividend earned		716,044	2,060,578	-	271,631
Other income		1,598,518	-	-	-
Total income (A)		11,545,844	32,219,007	4,051,666	6,116,479
EXPENSES					
Management fees	14	3,019,305	2,868,043	1,026,715	1,036,953
Custodian fees		86,261	125,914	28,826	38,715
Trustee fees		141,853	134,290	48,265	48,777
CDBL charges		19,729	21,544	5,187	7,588
Annual fees		179,760	155,593	-	-
Advertisement		126,629	193,683	28,879	66,033
IPO Charges		10,000	20,000	5,000	-
Bank charges		288	-	-	-
Brokerage and other charges		157,500	-	-	-
Realized loss from transaction of Unit		-	252,518	-	40,800
Total expense (B)		3,741,325	3,771,585	1,142,872	1,450,584
Net profit/(loss) before provision (A - B)		7,804,519	28,447,422	2,908,794	4,665,895
(Provision)/Write back of provision against diminution in value of securities		(11,707,087)	18,647,463	(4,749,597)	17,505,222
Net profit/(loss) for the period		(3,902,568)	47,094,885	(1,840,803)	22,171,117
Other Comprehensive income:					
Unrealised gain on investment		-	2,013,439	-	2,013,439
Comprehensive income		(3,902,568)	49,108,324	(1,840,803)	24,184,556
Earning per unit	15	(2.16)	30.27	(1.02)	14.25

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Prime Financial First Unit Fund

Statement of Changes in Equity for the period ended 30 September 2022

	Capital Fund Taka	Retained Earnings Taka	Total Taka
2022			
Balance as at 1 January 2022	146,593,300	35,636,246	182,229,546
Unit subscribed	33,976,900	-	33,976,900
Dividend paid during the period	-	(24,920,861)	(24,920,861)
Net profit for the period	-	(3,902,568)	(3,902,568)
Balance as at 30 September 2022	180,570,200	6,812,817	187,383,017
2021			
Balance as at 1 January 2021	166,389,100	8,542,683	174,931,783
Unit surrendered	(19,795,800)	-	(19,795,800)
Dividend paid during the year	-	(8,319,455)	(8,319,455)
Net profit for the year	-	35,413,018	35,413,018
Balance as at 31 December 2021	146,593,300	35,636,246	182,229,546

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Dhaka, 27 October 2022


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Prime Financial First Unit Fund
Statement of Cash Flows
for the period ended 30 September 2022

	<u>Notes</u>	30 September 2022 Taka	31 December 2021 Taka
A. Cash flows from operating activities:			
Capital gain		8,976,013	31,841,789
Interest received		-	2,094,695
Dividend received		2,783,395	5,027,296
Paid for operating expenses		(2,301,344)	(5,939,977)
Bank charges		(288)	(22,735)
Net cash flows from operating activities		9,457,776	33,001,068
B. Cash flows from investing activities			
Cash received from/(used for) investment in securities		(2,075,417)	(35,058,190)
Investment in FDR		-	20,000,000
Net cash received/ (used) for investing activities		(2,075,417)	(15,058,190)
C. Cash flows from financing activities:			
Cash (paid)/received on account of surrender/sale of unit		33,976,900	(19,795,800)
Cash received from/(paid for) transaction of unit		1,598,518	(2,312,518)
Dividend paid		(24,920,861)	(8,319,455)
Net cash generated from financing activities		10,654,557	(30,427,773)
D. Net (decrease)/increase in cash and cash equivalents (A+B+C)		18,036,916	(12,484,895)
E. Opening cash and cash equivalents		11,820,305	24,305,200
F. Closing cash and cash equivalents (D+E):		29,857,221	11,820,305
Cash flows from operating activities per unit	16	5.24	22.51

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Prime Finance Asset
Management Company Ltd.

Dhaka, 27 October 2022


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Prime Financial First Unit Fund

Notes to the Financial Statements as at and for the period ended 30 September 2022

1. The Fund

Prime Financial First Unit Fund is an open-ended fund established as a Trust under the Trust Act 1882 and registered with Sub-Registrar's Office under the Registration Act 1908 on 2 June 2010. Bangladesh Securities and Exchange Commission also approved the Fund on 13 June 2010 vide Registration Code No. SEC/Mutual Fund/2010/24. The initial size of the Fund is Tk. 200,000,000 (Taka two hundred million only) divided into 2,000,000 units of Taka 100 each. Subsequently the size of the Fund has been increased to Taka 1,000,000,000 (Taka one billion) divided into 10,000,000 units of Taka 100 each on 10 November 2010.

Prime Finance & Investment Limited is the sponsor of the Fund and subscribed an amount of Taka 3,000,000 (Taka three million) only.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001 and other applicable laws and regulations.

2.2 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles.

2.3 Functional currency and presentation currency

These financial statements are presented in Bangladesh Taka, which is also the Fund's functional currency. All financial information presented in Taka have been rounded off to the nearest taka.

2.4 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 form 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 estimate 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.

2.5 Reporting period

The financial period of the Fund covers one year from 1 January to 31 December. These financial statements are prepared for the period from 1 January to 30 September 2022.

2.6 Taxation

The income of the Fund is exempted from Income Tax as per SRO No. 333-Act/Income Tax/2011 dated 10 November 2011, under section 44(4) clause (b) of Income Tax Ordinance 1984; hence no provision of tax is required.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Investment policy

3.1.1 The Fund shall invest subject to the Rules and only in those securities, deposits and investments approved by the Securities and Exchange Commission and/or the Bangladesh Bank and/or the Insurance Development & Regulatory Authority (IDRA) of Bangladesh or any other competent authority in this regards.

3.1.2 Not less than 60% of the total assets of the Scheme of the Fund shall be invested in capital market instruments out of which at least 50 per cent shall be invested in listed securities.

3.2.3 Not more than 25% of the total asset of the Scheme of the Fund shall be invested in Fixed Income Securities (FIS).

3.2.4 Not more than 15% of the total asset of the Scheme of the Fund shall be invested in pre-IPOs at one time.

3.2.5 All money collected under the Fund shall be invested only in encashable/transferrable instruments, securities whether in money market or capital market or privately placed pre-IPO equity, preference shares, debentures or securitized debts.

3.2.6 The Fund shall get the securities purchased or transferred in the name of the Fund.

3.2.7 Only the Asset Management Company will make the investment decisions and place orders for securities to be purchased or sold for the Scheme's portfolio.

3.2 Valuation policy

- 3.2.1** For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.2.2** For securitized debts, debentures, margin or fixed deposits, the accrued interest on such instruments on the date of valuation shall be taken into account in any calculation of Net Asset Value of such securities in the portfolio of the Fund.
- 3.2.3** The valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the annual report of the Scheme.

3.2.4 Net Asset Value (NAV) calculation

The Fund will use the following formula to derive NAV per unit:

$$\text{Total NAV} = V_A - L_T$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding}$$

V_A = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and stationery expenses amortized as on date.

L_T = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

3.4 Provisions

A provision is recognized if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

3.5 Revenue recognition

3.5.1 Capital gain

Capital gain is recognized on being realized.

3.5.2 Dividend income

Dividend income is recognized on being declared by the investee company if it is made within the balance sheet date.

3.5.3 Finance income

Finance income comprises interest income on fund kept at the bank account. Interest income is recognized as it accrues.

3.6 Cash flow statement

Cash flows from operating activities have been presented under direct method.

4. Investment at market price

	30 September 2022 <u>Taka</u>	31 December 2021 <u>Taka</u>
Investment at cost price (Annexure - 1)	186,532,038	162,422,121
Unrealized gain/(loss) (Annexure - 1)	<u>(26,922,549)</u>	<u>(15,215,462)</u>
Investment at market price	<u><u>159,609,489</u></u>	<u><u>147,206,659</u></u>

The investment in marketable securities is designated as Held for Trading in accordance with BAS 39 Financial Instruments: Recognition and Measurement and measured at market value, and any gains or losses recognised in the face of Statement of Comprehensive Income.

The fund has not any non performing investment as at 30 September 2022

5. Investment in IPO

BD Thai Food & Beverage Ltd	-	637,500
Union Bank Limited	-	21,397,000
	<u>-</u>	<u><u>22,034,500</u></u>

6 Receivables

	30 September 2022 <u>Taka</u>	31 December 2021 <u>Taka</u>
Receivable from BBS Cables- Cash dividend	-	90,074
Receivable from BPML- Cash dividend	-	40,560
Receivable from BPML- Cash dividend	-	48,582
Receivable from IFADAUTOS- Cash dividend	-	138,754
Receivable from SQUARETEXT- Cash dividend	-	243,348
Receivable from SQUARPHARMA- Cash dividend	9,306	19,306
Receivable from SSSTEEL- Cash dividend	-	84,452
Receivable from Baraka Power Ltd.- Cash dividend	-	41,300
Receivable from CONFIDCEM-Cash dividend	-	67,422
Receivable from DESCO-Cash dividend	94,376	182,114
Receivable from ESQUIRENIT-Cash dividend	-	60,762
Receivable from PREMIERCCEM-Cash dividend	-	106,720
Receivable from RENATA-Cash dividend	-	68,102
Receivable from RUNNERAUTO-Cash dividend	44,393	44,393
Receivable from Active Fine Chemicals Ltd.- Cash dividend	-	13,611
Receivable from Envoy Textiles Ltd.- Cash dividend	-	311,416
Receivable from MJL Bangladesh Ltd.- Cash dividend	-	210,400
Receivable from Olympic Industries- Cash dividend	-	35,000
Receivable from EPGL-Cash dividend	-	40,000
Receivable from NPOLYMER-Cash dividend	-	15,000
Receivable from SKTRIMS-Cash dividend	-	354,110
Receivable from UPGDCL-Cash dividend	-	-
	<u>148,075</u>	<u>2,215,426</u>

7. Other assets

Accrued interest on STD Account

255,269	-
<u>255,269</u>	<u>-</u>

8. Cash and cash equivalents

Cash at bank (Dutch-Bangla Bank Limited, Local Office; A/c No. 1011200002870)

22,353,873 3,618,647

Cash at bank (Dutch-Bangla Bank Limited, Local Office; A/c No. 1011200007884)

35,665 -
7,328,001 7,328,001

Cash at BO Account with PFI Securities Ltd.

770 770

Cash at BO Account with Fareast Stocks & Bonds Ltd.

27,680 27,680

Cash at BO Account with UCB Capital Management Ltd.

110,451 844,426

Cash at BO Account with IDLC Securities Ltd.

781 781

Cash at BO Account with United Securities Ltd.

29,857,221 11,820,305

Accounts payable

	30 September 2022	31 December 2021
	<u>Taka</u>	<u>Taka</u>
Payable to Prime Finance Asset Management Company Ltd.	1,691,321	172,016
Custodian fees payable	47,126	151,917
Trustee fees payable	66,708	-
Audit fees payable	-	74,750
	<u>1,805,155</u>	<u>398,683</u>

10. Other liabilities

Tax deducted at source	7,288	347
Dividend payable	6,206	6,206
VAT deducted at source	668,388	642,108
	<u>681,882</u>	<u>648,661</u>

11. Capital fund

	No. of <u>Unit</u>	Face value Per Unit <u>Taka</u>	Total Capital Fund <u>Taka</u>
Subscribed by Resident Bangladeshis	1,775,702	100	177,570,200
Subscribed by Sponsor	<u>30,000</u>	100	<u>3,000,000</u>
	<u>1,805,702</u>		<u>180,570,200</u>

12. Net Asset Value (NAV):

	30 September 2022	31 December 2021
	<u>Taka</u>	<u>Taka</u>
<u>at cost</u>		
Value of net asset at cost	214,305,566	197,445,008
Number of units	<u>1,805,702</u>	<u>1,465,933</u>
Net Asset Value per unit	<u>118.68</u>	<u>134.69</u>
<u>at market value</u>		
Value of net asset at market price	187,383,017	192,721,703
Number of units	<u>1,805,702</u>	<u>1,465,933</u>
Net Asset Value per unit	<u>103.77</u>	<u>131.47</u>

3. Interest income	30 September 2022 <u>Taka</u>	30 September 2021 <u>Taka</u>
Interest on FDR	-	940,165
Interest income on STD Account	255,269	570,553
	<u>255,269</u>	<u>1,510,718</u>

14. Management fees

Management fees is payable to Prime Finance Asset Management Company Limited. As per Securities and Exchange Commission (Mutual Fund) Rules, 2001 the Fund has to pay management fee to Prime Finance Asset Management Company Limited at the rates mentioned in the next page:

<u>Slab</u>	<u>Rate of Fees</u>
On the weekly average NAV upto Taka 5.00 crore	2.50%
On Next 20.00 Crore of the weekly avrage NAV	2.00%
On Next 25.00 Crore of the weekly avrage NAV	1.50%
On rest of the weekly avrage NAV	1.00%

15. Earning per unit

Earning per unit is calculated on the basis of unit held as at 30 September 2022.

16. Cash flows from operating activities per unit

Cash flows from operating activities per unit is calculated on the basis of unit held as at 30 September 2022.

17. Others

17.1 Figures in these notes and annexed financial statements have been rounded off to the nearest BDT.

17.2 Figures of previous year have been rearranged wherever considered necessary, to conform the current year's presentation.