ICB AMCL THIRD NRB 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 (ıgDP¨qv j dvÛ) ıeıagv j v 2001, the yearly audited accounts of the ICB AMCL THIRD NRB 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	1,18,15,23,852	1,17,92,87,353
Cash at bank	4.00	6,11,91,734	4,50,60,432
Other current assets	5.00	78,41,670	1,24,21,853
Deferred revenue expenditure	6.00	1,86,820	2,80,266
Total Assets		**1,25,07,44,076**	**1,23,70,49,904**
Equity and Liabilities			
Equity:			
Capital	7.00	1,00,00,00,000	1,00,00,00,000
Reserve & surplus	8.00	10,28,77,457	9,56,24,774
Provision for Marketable Investments	9.00	9,60,33,698	9,10,33,698
Total Equity		**1,19,89,11,155**	**1,18,66,58,472**
Liabilities:			
Current liabilities	10.00	5,18,32,921	5,03,91,432
Total Equity and Liabilities		**1,25,07,44,076**	**1,23,70,49,904**
Net Asset Value (NAV)			
At cost price		**11.99**	**11.87**
At market price		**7.99**	**9.12**

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		4,85,41,781	5,88,23,966
Profit on sale of unit certificate		-	23,65,709
Dividend from investment in shares		2,89,61,668	2,31,24,843
Interest on Bank deposits and Bond	11.00	17,19,526	24,43,245
Total income		**7,92,22,975**	**8,67,57,763**
Expenses			
Management fee		1,27,10,126	1,22,74,227
Trustee fee		10,00,000	10,00,000
Custodian fee		8,54,369	8,30,064
Annual fee		7,95,244	9,12,163
Listing fee		10,00,000	10,00,000
Audit fee		17,250	17,250
Other operating expenses	12.00	7,55,866	7,62,448
Deferred revenue expenditure written off	6.01	93,446	93,446
Total expenses		**1,72,26,301**	**1,68,89,598**
Profit before provision		**6,19,96,674**	**6,98,68,165**
Provision for marketable investments	9.00	50,00,000	56,93,084
Net profit for the year		**5,69,96,674**	**6,41,75,081**
Earnings Per Unit		**0.57**	**0.64**

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**	**1,25,00,029**	**9,10,33,698**	**8,31,24,745**	**1,18,66,58,472**
Provision for Marketable Investments	-		50,00,000	-	50,00,000
Last year dividend paid	-		-	(5,00,00,000)	(5,00,00,000)
Last year adjustment	-		-	2,56,009	2,56,009
Net profit for the period	-		-	5,69,96,674	5,69,96,674
Balance as at June 30, 2018	**1,00,00,00,000**	**1,25,00,029**	**9,60,33,698**	**9,03,77,428**	**1,19,89,11,155**
Balance as at July 01, 2016	**1,00,00,00,000**	**-**	**8,53,40,614**	**8,15,47,438**	**1,16,68,88,052**
Dividend Equilization reserve	-	1,25,00,029	-	(1,25,00,029)	-
Provision for Marketable Investments	-		56,93,084	-	56,93,084
Last year dividend paid	-		-	(5,00,00,000)	(5,00,00,000)
Last year adjustment	-		-	(97,745)	(97,745)
Net profit for the period	-		-	6,41,75,081	6,41,75,081
Balance as at June 30, 2017	**1,00,00,00,000**	**1,25,00,029**	**9,10,33,698**	**8,31,24,745**	**1,18,66,58,472**

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	2,78,71,751	2,31,41,314
Interest received	15,89,626	24,43,245
Expenses	(1,66,16,423)	(1,56,26,283)
Net cash inflow/(outflow) from operating activities	**1,28,44,954**	**99,58,276**
Cash flow from investment activities		
Purchase of shares-marketable investment	(29,20,86,020)	(53,55,47,228)
Sales of shares-marketable investment	33,83,91,302	59,01,26,701
Share application (IPO) money deposited	(1,52,00,000)	(9,52,00,000)
Shares application money refunded	2,10,00,000	8,72,00,000
Net cash inflow/(outflow) from investment activities	**5,21,05,282**	**4,65,79,473**
Cash flow from financing activities		
Dividend paid	(4,88,18,934)	(4,81,00,555)
Net cash inflow/(outflow) from financing activities	**(4,88,18,934)**	**(4,81,00,555)**
Net cash flow increase/(decrease)	**1,61,31,302**	**84,37,194**
Cash equivalent at beginning of the year	4,50,60,432	3,66,23,238
Cash equivalent at end of the year	**6,11,91,734**	**4,50,60,432**
Net Operating Cash Flow Per Unit (NOCFPU)	**0.13**	**0.10**

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 Limited, Principal Branch, Dhaka.

Other Financial Information:	June 30, 2018	June 30, 2017
Dividend (cash)	5%	5%

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**

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ICB AMCL THIRD NRB MUTUAL FUND
Notes to financial statements
For the year ended June 30, 2018

1.00 Legal status and nature of business

The ICB AMCL Third NRB Mutual Fund was established under a Trust Deed executed on September 07, 2009 between the ICB Capital Management Limited as 'Sponsor' and the Investment Corporation of Bangladesh (ICB) as 'Trustee'.and 'Custodian.' The Fund was registered with the Bangladesh Securities and Exchange Commission (BSEC) on November 03, 2009 under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) wewagvjv 2001. The operation of the Fund commenced on May 17, 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 ICB AMCL Third NRB 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 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 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 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. 39,97,22,692 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. 9,60,33,698. (see Note 9.00)

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%.

2.04 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. Thereafter, remaining balance will be written off over ten years at equal proportion in each year.

2.06 Dividend policy

As per Rule 66, of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (wgDP¨qvj dvÛ) 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 of 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 Trusteeship fee

The Trustee is entitled to an annual Trusteeship Fee @0.10% of the scheme size i.e. Tk. 10,00,000.00 (ten lac) on semi-annual basis 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)	1,17,57,23,852	1,17,30,87,353
	Preference shares	58,00,000	62,00,000
		1,18,15,23,852	**1,17,92,87,353**

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

Sector/category	No of shares	Total cost price (Tk)	Total market	Difference
Banks	44,34,278	9,39,66,511	6,71,57,823	(2,68,08,689)
Investment/fund	48,92,268	3,76,78,638	3,59,20,695	(17,57,942)
Engineering	16,73,077	10,64,96,494	6,33,16,759	(4,31,79,735)
Food and Allied products	2,74,012	1,07,33,412	84,26,942	(23,06,470)
Fuel & Power	21,01,297	16,19,13,921	12,15,21,816	(4,03,92,105)
Textiles	37,86,146	7,38,02,307	4,66,85,156	(2,71,17,151)
Pharmaceuticals	21,25,774	19,37,64,619	18,96,52,067	(41,12,553)
Services	4,05,580	3,44,48,667	1,33,90,746	(2,10,57,921)
Cement	4,75,851	6,12,58,330	4,17,35,989	(1,95,22,342)
Information technology	3,30,038	1,51,73,768	1,27,07,973	(24,65,796)
Ceramic	4,31,647	3,54,89,935	1,66,76,324	(1,88,13,612)
Insurance	23,00,703	9,80,48,366	5,45,16,346	(4,35,32,021)
Telecommunication	2,000	5,44,088	7,76,400	2,32,312
Travel & Leisure	3,24,405	1,18,06,185	73,08,209	(44,97,976)
Finance and leasing	32,58,797	12,50,06,845	5,68,14,943	(6,81,91,902)
Corporate bond	1,500	13,58,889	14,32,875	73,986
Miscellaneous	10,54,629	11,42,32,876	3,79,60,098	(7,62,72,778)
	2,78,72,002	**1,17,57,23,852**	**77,60,01,159**	**(39,97,22,692)**

4.00	**Cash at Bank**		
	IFIC Bank Ltd, Motijheel Branch STD account	3,22,72,056	1,79,14,882
	Citi Bank N.A, Motijheel Escrow account	69,37,891	69,40,392
	IFIC Bank LTD., Federation Branch,(D/A- 10-11)	1,02,54,314	1,01,90,187
	IFIC Bank LTD., Motijheel Branch,(D/A- 13-14)	29,39,846	28,80,585
	IFIC Bank LTD., Motijheel Branch,(D/A- 14-15)	40,85,355	39,22,453
	IFIC Bank LTD., Motijheel Branch,(D/A- 15-16)	20,15,578	20,96,558
	IFIC Bank LTD., Motijheel Branch,(D/A- 16-17)	14,83,035	-
	Sub Total	**5,99,88,075**	**4,39,45,057**
	Foreign currency accounts: (4.01)		
	Citi Bank N.A, Motijheel Branch (USD) (Note 4.01)	12,00,852	11,12,805
	Citi Bank N.A, Motijheel Branch (GBP) (Note 4.01)	2,530	2,325
	Citi Bank N.A, Motijheel Branch (EUR) (Note 4.01)	277	245
	Sub Total	**12,03,659**	**11,15,375**
	Total cash at Bank	**6,11,91,734**	**4,50,60,432**

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 14,347.10, GBP 22.89 and EUR 2.83 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	
			June 30, 2018	June 30, 2017
5.00	**Other current assets**			
	Dividend receivables		33,94,751	23,04,834
	Interest receivables		1,29,900	-
	Receivable from ISTCL		16,17,019	16,17,019
	Securities and other deposits	**(Note-5.01)**	5,00,000	5,00,000
	Share Application Money		22,00,000	80,00,000
			78,41,670	**1,24,21,853**
5.01	**Securities and other deposits**			
	Security money Tk.500,000 deposit to CDBL account.			
6.00	**Deferred revenue expenditure (Preliminary and Issue Expenses)**			
	Printing and stationery		21,72,898	21,72,898
	Entertainment		11,09,637	11,09,637
	Postage and telegram		1,27,928	1,27,928
	Registration fee and listing fee		57,53,500	57,53,500
	Bank charges		20,975	20,975
	Advertisement		4,81,604	4,81,604
	Pre Issue expenses		58,22,220	58,22,220
	Lottery conduction fees		2,09,000	2,09,000
	Banker to the issue commission		47,91,970	47,91,970
	Rent Expenses		1,36,480	1,36,480
	Formation fee		1,00,00,000	1,00,00,000
	Others		89,235	89,235
			3,07,15,447	**3,07,15,447**
	Less: profit on bank deposits		3,10,28,282	3,10,28,282
			(3,12,835)	**(3,12,835)**
	Less:Loss of convertion of FC		12,47,223	12,47,223
			9,34,388	**9,34,388**
	Less: Amortization of Preliminary expenses (6,54,122+93,446) (6.01)		7,47,568	6,54,122
	Balance as on June 30		**1,86,820**	**2,80,266**
6.01	Amortization of Preliminary expenses for this year		**93,446**	**93,446**
7.00	**Unit capital**			
	10,00,00,000 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)		1,25,00,029	1,25,00,029
	Retained Earning (Note 8.02)		9,03,77,428	8,31,24,745
			10,28,77,457	**9,56,24,774**
8.01	**Dividend Equalization Reserve**			
	Balance as at July 01		**1,25,00,029**	**-**
	Addition during the year		-	1,25,00,029
			1,25,00,029	**1,25,00,029**
8.00	**Retained Earning**			
	Balance as on July 01		8,31,24,745	8,15,47,438
	Less: Last year dividend		5,00,00,000	5,00,00,000
	Less: Dividend Equalization Reserve		-	1,25,00,029
	Add: Last year adjustment		2,56,009	97,745
			3,33,80,754	**1,89,49,664**
	Addition during the year		5,69,96,674	6,41,75,081
	Balance as on June 30		**9,03,77,428**	**8,31,24,745**

		Amount in Taka	
		June 30, 2018	June 30, 2017
9.00	**Provision for Marketable Investments**		
	Opening balance	9,10,33,698	8,53,40,614
	Add: provision for investment in Mutual Fund	-	6,93,084.00
	Add: provision for other investment	50,00,000	50,00,000
	Total provisions (Note 2.03)	**9,60,33,698**	**9,10,33,698**
10.00	**Current liabilities**		
	Management fee payable to ICB AMCL	1,27,10,136	1,22,74,227
	Custodian fee payable to ICB	8,54,369	8,30,064
	Audit fee	17,250	17,250
	Annual Fee (SEC) Fee	14,682	2,92,757
	Share application money refundable	80,97,579	80,09,295
	Dividend payable (Note 10.01)	3,01,29,905	2,89,48,839
	Others	9,000	19,000
	Total current liabilities	**5,18,32,921**	**5,03,91,432**
10.01	**Dividend payable**		
	Dividend payable 2010-11	2,05,83,775	2,05,72,125
	Dividend payable 2013-14	24,29,250	25,06,250
	Dividend payable 2014-15	37,52,193	37,78,943
	Dividend payable 2015-16	19,40,271	20,91,521
	Dividend payable 2017-18	14,24,416	-
	Total	**3,01,29,905**	**2,89,48,839**
11.00	**Interest on Bank deposits and Bond**		
	Interest on Short Term Deposit	14,39,937	20,31,501
	Interest on Listed Bond	1,29,900	1,34,100
	Interest on Preference Share	1,49,689	2,77,644
		17,19,526	**24,43,245**
12.00	**Other operating expenses**		
	Printing and stationary	26,975	41,157
	Postage & Telegram	-	11,543
	Bank charges and excise duty	55,396	36,898
	Advertisement Expense	2,66,533	2,66,609
	CDBL Charges	79,136	3,17,638
	CDBL annual fee & Connection charge	2,12,000	12,000
	Dividend destribution expenses	52,444	51,751
	IPO application expenses	43,000	-
	Others	20,382	24,852
		7,55,866	**7,62,448**

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