

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### Independent Auditor's Report to The Trustees Of CWT-Community Bank Shariah Fund

#### Opinion

We have audited the financial statements of **CWT-Community Bank Shariah Fund** ("the Fund"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with Securities and Exchange Rules 1987, Securities and Exchange Commission (Mutual Fund) Rules, 2001 and International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Mutual Fund) Rules, 2001 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.

In preparing the financial statements, the Fund's ability to continue as a going concern should be assessed, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Securities and Exchange Rules, 1987, the Securities and Exchange Commission (Mutual Fund) Rules, 2001, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 Fund so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 24 dealt with by the report are in agreement with the books of account.

Dhaka, 15 August 2024



Sk Md Tarikul Islam, FCA

Partner

Enrolment no: 1238

Hoda Vasi Chowdhury & Co.


Chartered Accountants


DVC: 2408151238AS861740

**CWT-Community Bank Shariah Fund  
Statement of Financial Position  
As at 30 June 2024**

	NOTES	2024 BDT
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Preliminary and issue expenses	6	3,375,688
<b>Total non-current assets</b>		<b>3,375,688</b>
<b>Current Assets</b>		
Investment in Marketable Securities	7	56,553,857
Investment in IPO	8	4,250,000
Investment in MTDR	9	20,503,105
Advance, deposit and prepayments	10	4,341
Account receivables	11	301,964
Cash and cash equivalents	12	52,427,062
<b>Total Current Assets</b>		<b>134,040,330</b>
<b>Total Assets</b>		<b>137,416,018</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Unitholders' Equity:</b>		
Unit capital fund	13	136,771,090
Unit premium reserve	14	(119,505)
Retained earnings	15	2,103,523
Fair value reserve fund	16	(3,086,980)
<b>Total unitholders' equity</b>		<b>135,668,128</b>
<b>Current Liability</b>		
Accounts payable	17	1,747,890
<b>Total current liability</b>		<b>1,747,890</b>
<b>Total unitholders' equity and liabilities</b>		<b>137,416,018</b>
<b>Net Assets (Total Assets - Total Liabilities)</b>		<b>135,668,128</b>
<b>Net Asset Value (NAV) Per Unit</b>		
At market price	18	9.92
At cost price	19	10.15


These financial statements should be read in conjunction with annexed notes.

  
Trustee  
Authorized Signatory of Sandhani Life  
Insurance Co. Ltd (SLIC)

  
Asset Manager  
Authorized Signatory of CWT Asset  
Management Company Ltd.

AUDITOR'S REPORT TO THE TRUSTEE  
See the annexed report of date

**Muhammad Harunur Rashid**  
Head of Accounts  
CWT Asset Management Company Ltd.

  
Sk Md Tarikul Islam, FCA  
Partner  
Membership no.1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2408151238AS861740

Dhaka, 15 August 2024

**CWT-Community Bank Shariah Fund  
Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2024**

	NOTES	2024 BDT
<b>INCOME</b>		
Gain/ (loss) on sales of marketable securities	20	(1,479,504)
Dividend income	21	2,533,290
Profit income	22	4,812,499
		<u>5,866,285</u>
<b>EXPENSES</b>		
Management fee		2,456,489
Amortization of preliminary and issue expenses		595,710
CDBL settlement and demat charges		13,870
CDBL connection fee		9,200
Trustee fee		113,546
BSEC Fee		103,278
Custodian fee		66,717
Newspaper publications fee		195,000
Audit fees		50,000
Remuneration of shariah advisor-expenses		14,400
IPO Application Exp.		5,000
Bank Charge and Excise Duty		114,551
EI Registration Fee		25,000
		<u>3,762,761</u>
<b>Net Profit/ (Loss) during the year</b>		<u>2,103,523</u>
<b>Other Comprehensive Income</b>	23	(3,086,980)
Unrealized gain /(loss) during the year		
<b>Total Comprehensive Income</b>		<u>(983,457)</u>
<b>Earnings Per Unit (EPU) during the period without considering provision</b>	24	<u>0.15</u>



Trustee  
Authorized Signatory of Sandhani Life Insurance  
Co. Ltd (SLIC)



Asset Manager  
Authorized Signatory of CWT  
Asset Management Company Ltd.  
**Muhammad Harunur Rashid**  
Head of Accounts  
CWT Asset Management Company Ltd.

AUDITOR'S REPORT TO THE TRUSTEE  
See the annexed report of date



Sk Md Tarikul Islam, FCA  
Partner  
Membership no.1238  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
DVC: 2408151238AS861740

Dhaka, 15 August 2024

**CWT-Community Bank Shariah Fund**  
**Statement of Changes in Equity**  
For the year ended 30 June 2024

Particulars	Amount in Taka				
	Unit Capital Fund	Unit Premium/Discount	Retained Earnings	Reserve for Unrealized Gain/Loss	Total Equity
<b>Opening balance as at 25 September 2023</b>	-	-	-	-	-
Unit fund new subscription during the year	204,583,030	-	-	-	204,583,030
Unit fund surrender during the year	(67,811,940)	-	-	-	(67,811,940)
Unit premium addition during the year	-	440,069	-	-	440,069
Unit premium adjustment during the year	-	(559,574)	-	-	(559,574)
Net profit/(loss) during the year	-	-	2,103,523	-	2,103,523
Provision of unrealized gain/(loss)	-	-	-	(3,086,980)	(3,086,980)
<b>Closing balance as at 30 June 2024</b>	<b>136,771,090</b>	<b>(119,505)</b>	<b>2,103,523</b>	<b>(3,086,980)</b>	<b>135,668,128</b>



Trustee  
Authorized Signatory of Sandhami Life Insurance Co.  
Ltd (SLIC)



Asset Manager  
Authorized Signatory of CWT Asset Management  
Company Ltd.

**Muhammad Harunur Rashid**  
Head of Accounts  
CWT Asset Management Company Ltd.

**CWT-Community Bank Shariah Fund  
Statement of Cash Flows**

For the year ended 30 June 2024

	<b>2024</b>
	<b>BDT</b>
<b>A. Cash flows from operating activities</b>	
Profit income realized	5,543,963
Gain/ (loss) on sales of marketable securities	(1,479,504)
Payment made for expenses	(5,356,901)
<b>Net Cash from Operating Activities</b>	<b>(1,292,442)</b>
<b>B. Cash Flows from Investing Activities</b>	
Net investment in IPO shares, Bond and Securities	(63,895,838)
Net investment in MTDR	(19,036,243)
<b>Net Cash from Investing Activities</b>	<b>(82,932,081)</b>
<b>C. Cash Flows from Financing Activities</b>	
Unit sale	205,023,099
Unit repurchase	(68,371,514)
<b>Net Cash from Financing Activities</b>	<b>136,651,585</b>
<b>Net cash flows (A+B+C)</b>	<b>52,427,062</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>52,427,062</b>
Net operating cash flows	(1,292,442)
Number of outstanding units	13,677,109
<b>Net Operating Cash Flows Per Unit (NOCFU)</b>	<b>(0.09)</b>



**Trustee**

Authorized Signatory of Sandhani Life  
Insurance Co. Ltd (SLIC)



**Asset Manager**

Authorized Signatory of CWT Asset  
Management Company Ltd.

**Muhammad Harunur Rashid**  
Head of Accounts  
CWT Asset Management Company Ltd.

Dhaka, 15 August 2024

**CWT-Community Bank Shariah Fund  
Notes to the Financial Statements  
As at & for the period ended 30 June 2024**

**1 Introduction**

CWT-Community Bank Shariah Fund is (hereafter referred to as “the Fund”), an open-end shariah mutual Fund was established on under the Trust Act, 1882, registered under the Registration Act, 1908 and subsequently on April 17, 2023 registered as an open-end Mutual Fund from the Bangladesh Securities and Exchange Commission (Mutual Fund) Rules, 2001. The initial paid-up capital of the Fund is BDT 25 crore.

Community Bank Bangladesh Limited is the Sponsor of the Fund. Sandhani Life Insurance Company Ltd (SLIC) is the Trustee and Brac Bank Ltd. is the Custodian of the Fund and CWT Asset Management Company Limited (CWTAMC) is the Asset Manager of the Fund.

**2 Closure of accounting year of the Fund**

The Fund will close the books of accounts as at 30th June Every Year. Although the fund was established on January 1, 2023, the operation of the fund started from September 25, 2023.

**3 Objectives**

The objective of CWT - Community Bank Shariah Fund (CWTCBSF) is to provide attractive risk adjusted return to the unit holders by investing the proceeds in Shariah compliant instruments of the capital market and money market.

**4 Significant accounting policies**

**4.1 Basis of accounting**

These financial statements are prepared under historical cost convention on going concern basis and in conformity with the Generally Accepted Accounting Principles (GAAP) following International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), Securities and Exchange Rules, 1987 and Securities and Exchange Commission (Mutual Fund) Rules, 2001.

**4.2 Marketable investments**

a) Investment in shares which are actively traded on a quoted market are designated at fair value (market price) through statement of profit or loss and other comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of profit or loss and other comprehensive income.

b) Stock dividend (bonus shares) are added with existing shares with at zero cost which results in decrease of per unit cost price of the existing shares. However, bonus shares are shown at fair value on the statement of financial position date.

**4.3 Dividend income**

Dividend income will recognized on the declaration of dividend and subsequent approval by Annual General Meeting (AGM).

**4.4 Preliminary and issue expenses**

Preliminary and issue expenses are being written off over a period of five years on a straight-line method.

**4.5 Management fee**

Management fee is charged as per Trust Deed as well as the provision of the Bangladesh

Securities and Exchange Commission (Mutual Fund) Rules, 2001. The fee is accrued and payable annually at the following rates:

<u>NAV (Taka)</u>	<u>Percentage</u>
On weekly average NAV up to Taka 50 million	2.5
On next 200 million of weekly average NAV	2.0
On next 250 million of weekly average NAV	1.5
On rest of weekly average NAV	1.0

**4.6 Trustee fee**

The Trustee is entitled to an annual Trusteeship Fee @ 0.10% of the Net Asset Value (NAV) of the Fund only payable semi-annually during the life of the Fund as per Trust Deed.

**4.7 Custodian fee**

The Fund shall pay to the custodian a safe keeping fee @ 0.10% of balance (dematerialized and non-dematerialized) securities held by the fund calculated on the basis of average month end value per annum . Any out of pocket expenses may be applicable to the fund operation time to time.

**4.8 Taxation**

Income of the Fund is exempted from tax as per SRO no. 333-AIN/Income tax/2011 dated 27 October 2011.

**4.9 Dividend policy**

Pursuant to the Securities and Exchange Commission (Mutual Fund) Rules, 2001 or any amendments of the Rules by Bangladesh Securities and Exchange Commission time to time, the Fund shall distribute by way of dividend in quarterly, semi-annually and / or annually as decided in the trustee meeting to the holders of the units after the closing of the annual accounts an amount which shall minimum 50% of net income.

**5 Earnings per unit**

Earnings per unit has been calculated in accordance with IAS-33 Earnings per Share and shown on the face of Revenue account.

**CWT-Community Bank Shariah Fund**  
**Notes to the Financial Statements**  
As at 30 June 2024

	NOTES	2024 BDT
<b>6 Preliminary and issue expenses</b>		
Preliminary and issue expenses (Initial Cost)		3,971,398
Opening balance of accumulated amortization		-
Amortization during the period		595,710
Closing balance of accumulated amortization		595,710
<b>Closing balance of the preliminary and issue expenses (WDV)</b>		<b>3,375,688</b>
<b>7 Investment in Marketable Securities</b>		
Investment in securities at market price	(Annexure-A)	56,553,857
		<b>56,553,857</b>
* "For valuation of listed securities the average of close price of both Stock Exchanges (Dhaka Stock Exchange and Chittagong Stock Exchange) for respective securities has been taken into consideration from the current accounting period, was done by considering the close price of Dhaka Stock Exchange only."		
<b>8 Investment in IPO</b>		
Opening Balance		-
Add: Addition during the period:		4,250,000
		<b>4,250,000</b>
<b>9 Investment in MTDR</b>		
Opening balance		-
Add: Addition during the period:		70,503,105
Less: Encashment during the year		(50,000,000)
		<b>20,503,105</b>
<b>10 Advance, Deposit and Prepayments</b>		
Trustee Fees - advance		4,341
		<b>4,341</b>
<b>11 Account receivables</b>		
Profit receivable on MTDR- DBH Finance PLC		234,861
Profit receivable on MTDR- Meghna Bank PLC		67,103
		<b>301,964</b>
<b>12 Cash and Cash Equivalent</b>		
Cash at bank (One Bank - 01061490000312)		36,445,057
Cash at bank (Meghna Bank - 900121600000014)		15,982,006
		<b>52,427,062</b>
<b>13 Unit Capital Fund</b>		
Opening balance		-
Add: New subscription (20,458,303 unit at TK. 10)		204,583,030
Less: Unit repurchase (6,781,194 unit at Tk. 10)		67,811,940
		<b>136,771,090</b>

**CWT-Community Bank Shariah Fund**  
**Notes to the Financial Statements**  
As at 30 June 2024

	NOTES	2024 BDT
<b>14 Unit Premium Reserve</b>		
Opening balance		-
Add: Unit premium reserve during the Period		440,069
Less: Premium for re-purchase of units		559,574
		<b>(119,505)</b>
<b>15 Retained Earnings</b>		
Opening balance		-
Add: Net profit during the year		2,103,523
Less: Dividend paid during the year		-
		<b>2,103,523</b>
<b>16 Fair Value Reserve Fund</b>		
Opening balance		-
Add: Unrealized gain/(loss) during the period		(3,086,980)
Closing balance of fair value reserve fund	<i>Annexure A</i>	<b>(3,086,980)</b>
<b>17 Accounts Payable</b>		
Management fees		1,541,128
Custodian fees		47,484
Advertisement and publication expenses -payable		4,500
CDBL settlement and demat charge-Payable		1,500
Audit fees		50,000
BSEC annual fee		103,278
		<b>1,747,890</b>
<b>18 Net Asset Value (NAV) per unit at market price</b>		
Total asset value at market price		137,416,018
Less: Accounts payable		1,747,890
		<b>135,668,128</b>
Number of units		13,677,109
NAV per unit at market price		<b>9.92</b>
<b>19 Net Asset Value (NAV) per unit at cost price</b>		
Net asset value at Market price		135,668,128
Provision for diminution in value of marketable securities during the year		(3,086,980)
		<b>138,755,108</b>
Number of units		13,677,109
NAV per unit at cost price		<b>10.15</b>

**20 Gain/(Loss) on sale of marketable securities**

	No. of Shares	Sales Proceeds	Cost of Sales	Net Realised Gain/(Loss)
BSCCL	20,000	3,094,015	4,003,992	(909,977)
BERGERPBL	500	850,686	968,063	(117,377)
CRAFTSMAN	2,577	110,075	25,770	84,305
GP	10,000	2,540,043	2,621,232	(81,189)
ITC	62,000	2,897,593	2,531,244	366,349
LHBL	58,355	3,820,842	4,169,540	(348,699)
OLYMPIC	20,000	2,707,394	3,112,492	(405,098)
SQRPHARMA	23,598	4,956,313	5,024,132	(67,819)
				<b>(1,479,504)</b>

**21 Dividend income**

SQRPHARMA	839,790
OLYMPIC	120,000
GP	125,000
LHBL	1,448,500
	<b>2,533,290</b>

**22 Profit on bank deposit, FDR, and Bond**

Profit income from MSND account	22.01	3,010,673
Profit income from MTDR- DBH Finance PLC		1,228,618
Profit income from MTDR- MBPLC		573,208
		<b>4,812,499</b>

**22.01 Profit income from MSND account**

ONE Bank PLC	2,929,149
Meghna Bank PLC	81,524
	<b>3,010,673</b>

**23 Unrealized Gain/(Loss)**

Opening balance of fair value reserve	-
Unrealized gain/(loss)	(3,086,980)
<b>Unrealized gain/(loss) for the period</b>	<b>(3,086,980)</b>

**24 Earnings per unit**

Net profit/(loss) before adjustment of unrealized gain/(loss)	<b>2,103,523</b>
Number of units	13,677,109
<b>Earnings per unit during the Period</b>	<b>0.15</b>

**CWT-Community Bank Shariah Fund**  
**Investment in marketable securities (Portfolio)**  
As at 30 June 2024

**Annexure-A**

SL No.	STOCK	QTY.	COST PRICE	MARKET PRICE	COST VALUE	MARKET VALUE	Unrealized Gain/(loss)	% of NAV
1	IBNSINA	41,000	274.07	249.80	11,236,689	10,241,800	(994,889)	8.28%
2	ITC	283,000	40.83	42.40	11,553,904	11,999,200	445,296	8.52%
3	LHBL	258,345	71.45	62.30	18,459,085	16,094,894	(2,364,192)	13.61%
4	SQURPHARMA	86,382	212.90	210.90	18,391,159	18,217,964	(173,196)	13.56%
	<b>Total</b>	<b>668,727</b>			<b>59,640,838</b>	<b>56,553,857</b>	<b>(3,086,980)</b>	<b>43.96%</b>