

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed financial statements comprising of:

- (i) balance sheet,
- (ii) profit and loss account,
- (iii) statement of changes in equity,
- (iv) cash flow statement,
- (v) statement of premiums,
- (vi) statement of claims,
- (vii) statement of expenses, and
- (viii) statement of investment income.

of **The Cooperative Insurance Society of Pakistan Limited** as at December 31, 2011, together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Society's Management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the Approved Accounting Standards as applicable in Pakistan and the requirements of the Insurance Ordinance, 2000 and the Cooperative Societies Act, 1925. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Auditing Standards as applicable in Pakistan. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentations. We believe that our audit provides a reasonable basis for our opinion and after due verification we report that:

The society has not complied with Circular 03 of 2007 dated April 10, 2007 issued by Security and Exchange Commission of Pakistan regarding the minimum requirement of paid-up capital of Rs.300.00 million of the entities carrying on the insurance business and equivocal treatment of surplus on revaluation of fixed assets. Further, the society has also not complied with the minimum deposit requirement as envisaged under Section 29 of the Insurance Ordinance, 2000. Consequently, Securities and Exchange Commission of Pakistan vide letter No.ID/IO/46-5/Co-operative/2008 dated May 09, 2009 had instructed the Society to cease entering into new contracts of insurance under Section 63(1) of the Insurance Ordinance, 2000. The matter is subjudice as explained in note no.8 to the financial statements.

Except to the contents of preceding paragraph and the extent to which these affect the annexed financial statements, we report that:

- (a) proper books of account have been kept by the Society as required by the Insurance Ordinance, 2000 and the Cooperative Societies Act, 1925;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with The Insurance Ordinance, 2000 and the Cooperative Societies Act, 1925 and accurately reflect the books and record of the Society and are further in accordance with accounting policies consistently applied;
- (c) the financial statements together with the notes thereon, present fairly in all material respects, the state of the Society's affairs as at December 31, 2011, and of the profit, its cash flows and changes in equity for the year then ended in accordance with Approved Accounting Standards as applicable in Pakistan, and give the information required by the Insurance Ordinance, 2000 and the Cooperative Societies Act, 1925 in the manner so required and respectively give a true and fair view of the state of the society's affairs as at December 31, 2011 and of the profit for the year then ended; and
- (d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
CHARTERED ACCOUNTANTS  
AUDIT ENGAGEMENT PARTNER: MUHAMMAD AMIN  
Lahore: 26 JAN 2012

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 2011**

	Note	2011 Rupees	2010 Rupees
<b>Share Capital and Reserve</b>			
<b>Authorised Share Capital</b>			
30,000,000 Ordinary Shares of Rs. 10/- each		300,000,000	300,000,000
Paid up Share Capital		300,000,000	300,000,000
Reserves	5	7,411,488	6,974,920
Accumulated profit		6,473,416	5,163,711
		313,884,904	312,138,631
<b>Surplus on Revaluation of Fixed Assets</b>	6	617,267,504	618,063,380
<b>Underwriting Provisions</b>			
Provision for Outstanding Claims (including IBNR)		811,400	2,016,436
Provision for Unearned Premium		1,862,260	2,493,746
<b>Total Underwriting Provisions</b>		2,673,660	4,510,182
<b>CREDITORS &amp; ACCRUALS</b>			
Amount due to other insurers / reinsurers		941,692	1,294,565
Other Creditors and Accruals	7	1,111,536	1,042,644
Provision for taxation less payments		358,678	245,963
		2,411,906	2,583,172
<b>TOTAL LIABILITIES</b>		5,085,566	7,093,355
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-	-
<b>TOTAL EQUITY AND LIABILITES</b>		936,237,974	937,295,366

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**BALANCE SHEET AS AT DECEMBER 31, 2011**

	Note	2011 Rupees	2010 Rupees
<b>Cash and Bank Deposits</b>			
Cash and other equivalents		289,850	627,998
Current and other accounts		9,212,987	8,932,762
Deposits maturing after 12 months		2,650,000	2,650,000
		12,152,837	12,210,760
<b>Long Term Investments</b>	9	5,507,755	5,017,755
<b>OTHER CURRENT ASSETS</b>			
Prepayment-prepaid reinsurance premium		368,078	565,038
Premium due but unpaid		33,284	-
Premium and Claims reserves retained by cedent		300,087	300,087
Sundry Receivables	10	1,336,318	1,639,565
		2,037,767	2,504,690
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets - Tangible</b>			
Land		900,418,507	900,418,507
Buildings		15,163,510	15,961,588
Furniture, Fixture & Office Equipment		241,494	268,327
Motor Vehicles		716,105	913,739
	11	916,539,616	917,562,161
		936,237,974	937,295,366

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

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt: General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Note	Fire and Property	Marine Aviation & Transport	Motor	Others	2011 Aggregate Rupees	2010 Aggregate Rupees
<b>Revenue Account.</b>							
Net Premium Revenue		2,392,923	112,919	791,428	1,949,787	5,247,057	9,017,509
Net Claims		22,788	(66,755)	(991,033)	1,079,263	44,263	(2,313,772)
Expenses	12	(3,429,914)	(219,041)	(1,484,027)	(2,672,136)	(7,805,118)	(9,247,672)
Net Commission		(209,751)	(21,289)	(136,469)	(230,858)	(598,367)	(923,826)
Underwriting Results		<u>(1,223,955)</u>	<u>(194,166)</u>	<u>(1,820,101)</u>	<u>126,056</u>	<u>(3,112,165)</u>	<u>(3,467,761)</u>
Investment Income						2,908,279	2,506,342
Rental Income						3,128,562	3,312,411
Other Income	13					120,517	57,786
General and Administrative Expenses	14					(739,185)	(765,174)
Profit before tax						<u>2,306,008</u>	<u>1,643,604</u>
Taxation-Current year						(864,886)	(626,050)
-Prior year						305,150	(281,670)
Profit after tax						<u>(559,736)</u>	<u>(907,720)</u>
						<u>1,746,272</u>	<u>735,884</u>
<b>Profit and Loss Appropriation Account.</b>							
Accumulated profit/(loss) brought forward						5,163,711	4,611,798
Profit after tax for the year						1,746,272	735,884
Transfer to general reserve @ 25% of current year profit						(436,568)	(183,971)
Accumulated profit carried forward						<u>6,473,415</u>	<u>5,163,711</u>

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Paid up Share Capital</b>	<b>Reserve</b>	<b>Unappropriated profit</b>	<b>Total</b>
------(Rupees)-----				
<b>Balance as at 01-01-2010</b>	300,000,000	6,790,949	4,611,798	311,402,747
Profit for the year	-	-	735,884	735,884
Transfer during the year	-	183,971	(183,971)	-
<b>Balance as at 31-12-2010</b>	300,000,000	6,974,920	5,163,711	312,138,631
Profit for the year			1,746,272	1,746,272
Transfer during the year	-	436,568	(436,568)	-
<b>Balance as at 31-12-2011</b>	<b>300,000,000</b>	<b>7,411,488</b>	<b>6,473,416</b>	<b>313,884,904</b>

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

Sh.Anwar-ul-Haq Piracha  
**Chairman**

Ch.Akhtar MaHmood  
**Director**

M.Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt: General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011 Rupees</b>	<b>2010 Rupees</b>
<b>Operating Cash Flows.</b>		
<b>a) Underwriting Activities.</b>		
Premium received.	5,477,236	8,672,302
Reinsurance Premium Paid.	(1,050,862)	(2,339,128)
Claims Paid.	(1,516,674)	(665,714)
Reinsurance and other recoveries received.	355,901	166,378
Commission Paid.	(778,683)	(1,296,435)
Commission received.	180,316	372,609
Other Underwriting payments.	(712,891)	(858,271)
Other Underwriting receipts.	677,988	804,493
Net cash flow from underwriting activities.	2,632,331	4,856,234
<b>b) Other operating activities.</b>		
Income tax paid.	(447,022)	(365,123)
General Management expenses paid.	(7,352,569)	(8,988,284)
Other operating payments.	(687,670)	(1,045,431)
Other operating receipts.	135,167	257,787
	(8,352,094)	(10,141,051)
<b>Total Cash Flow from other operating activities.</b>	<u>(5,719,763)</u>	<u>(5,284,817)</u>
<b>Investment Activities.</b>		
Profit / Return received.	229,375	166,348
Dividends received.	2,678,904	2,339,994
Rent received.	3,128,562	3,312,411
Proceeds from disposal of fixed assets	115,000	-
Investment made	(490,000)	-
Fixed Capital Expenditure.	-	(6,200)
Total Cash Flow from investing activities.	5,661,840	5,812,553
<b>Financing Activities</b>		
Share deposit money	-	-
Lease rentals paid	-	-
	-	-
<b>Total Cash Flow from all activities.</b>	<u>(57,923)</u>	<u>527,736</u>
<b>Cash and cash equivalent at the beginning of the year.</b>	12,210,760	11,683,024
<b>Cash and cash equivalent at the end of the year.</b>	<u><u>12,152,837</u></u>	<u><u>12,210,760</u></u>

	2011 Rupees	2010 Rupees
<b>Reconciliation to Profit and Loss Account.</b>		
Operating Cash Flow.	(5,719,763)	(5,284,817)
Depreciation expense.	(207,788)	(260,263)
Lease finance charges	-	-
Increase / Decrease in assets other than cash.	(466,922)	(1,585,122)
Increase / Decrease in liabilities other than running finance	2,007,787	2,047,334
Interest, Dividend and rental income.	6,036,841	5,818,752
Profit on sale of fixed assets	96,117	-
Profit after Taxation.	1,746,272	735,884
	-	

Cash for the purposes of the Statement of Cash Flows consists of:

i) Cash and Cash Equivalents.	289,850	627,998
ii) Cash at Current Accounts.	9,212,987	8,932,762
iii) Cash at Deposit Accounts.	2,650,000	2,650,000
	12,152,837	12,210,760

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

Statement of Premiums

FOR THE YEAR ENDED DECEMBER 31, 2011

2011										2010
Class of business	Premium Written	Unearned Premium Reserve		Premium Earned	Reinsurance Ceded	Prepaid Reinsurance Premium Ceded		Reinsurance Expenses	Net Premium Revenue	Net Premium Revenue
		Opening	Closing			Opening	Closing			
----- <b>(Rupees)</b> -----										
Direct and Facultative										
1 Fire and Property Damage	2,421,566	1,545,437	1,005,157	2,961,846	440,894	380,630	252,600	568,924	2,392,923	2,510,500
2 Marine Aviation and Transport	154,646	12,107	47,408	119,345	-	6,426	-	6,426.00	112,919	22,633
3 Motor	1,047,743	267,786	410,022	905,508	41,545	106,805	34,270	114,080	791,428	1,336,241
4 Miscellaneous	1,886,565	668,416	399,674	2,155,307	215,550	71,177	81,207	205,520	1,949,787	5,148,135

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

Sh.Anwar-ul-Haq Piracha  
Chairman

Ch.Akhtar Mahmood  
Director

M.Aamir Inayat Shahani  
Director

Fateh Khan Niazi  
Asstt. General Manager



**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**STATEMENT OF CLAIMS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

1. Business underwritten Inside Pakistan

Class of business	Claims Paid	Outstanding Claims		Claims Expense	Reinsuranc e and other recoveries received	Reinsurance and other recoveries in respect of outstanding claims		Reinsurance and other recoveries revenue	2011 Net Claims expenses	2010 Net Claims expenses
		Opening	Closing			Opening	Closing			
,------(Rupees)-----										
Direct and Facultative										
1 Fire and Property Damage	230,712	265,000	11,500	(22,788)	-	-	-	-	(22,788)	418,690
2 Marine Aviation and Transport	66,755	-	-	66,755	-	-	-	-	66,755	278
3 Motor	191,133	-	799900	991,033	-	-	-	-	991,033	68,239
4 Miscellaneous	1,028,074	1943907	-	(915,833)	355,901	192,471	-	163,430	(1,079,263)	1,826,565
	1,516,674	2,208,907	811,400	119,167	355,901	192,471	-	163,430	(44,263)	2,313,772

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**STATEMENT OF EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Class of business</b>	<b>Commissions Paid or Payable</b>	<b>Net Commissions</b>	<b>Other Management Expenses</b>	<b>Underwriting Expenses Expense</b>	<b>Commissions from reinsurers</b>	<b>2011 Net underwriting expenses</b>	<b>2010 Net underwriting expenses</b>
,------(Rupees)-----							
Direct and Facultative							
1 Fire and Property Damage.	348,538	348,538	3,429,914	3,778,452	138,787	3,639,665	4,141,874
2 Marine Aviation and Transport.	21,289	21,289	219,041	240,330	-	240,330	23,639
3 Motor.	136,469	136,469	1,484,027	1,620,496	-	1,620,496	677,168
4 Miscellaneous.	272,387	272,387	2,672,136	2,944,523	41,529	2,902,994	5,328,817
	<u>778,683</u>	<u>778,683</u>	<u>7,805,118</u>	<u>8,583,801</u>	<u>180,316</u>	<u>8,403,485</u>	<u>10,171,498</u>

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**STATEMENT OF INVESTMENT INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011 Rupees</b>	<b>2010 Rupees</b>
<b>Income from Non-Trading Investments.</b>		
<u>Held to Maturity:</u>		
Return on Government Securities	-	-
Return on Other Fixed Income Securities and Deposits, available for sale	229,375	166,348
	229,375	166,348
<u>Available For Sale:</u>		
Dividend Income.	2,678,904	2,339,994
Zakat paid	-	-
Net Investment Income.	<u>2,908,279</u>	<u>2,506,342</u>

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

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**  
**YEAR ENDED DECEMBER 31, 2011**

**NOTES TO THE ACCOUNTS.**

**1. Status and Nature of Business.**

The Cooperative Insurance Society of Pakistan Limited was incorporated as a Cooperative Society under the Cooperative Societies Act, 1925 on August 6, 1949 and is engaged in General Insurance Business.

The registered office of the society is situated at Cooperative Insurance Building 23 Shahrah-e-Quid-e-Azam, Lahore.

**2. Basis of Preparation.**

These accounts have been prepared keeping in view of requirements of Cooperative Societies Act, 1925 and the Insurance Ordinance, 2000.

**3. Basis of Measurement.**

These accounts have been prepared under the historical cost convention and the Cooperative Societies Act, 1925 except Land and Buildings which are stated at revalued amounts.

**4. Significant Accounting Policies.**

The significant accounting policies applied in the preparation of these financial statements are given below. These policies are consistently applied to all the years/periods presented.

**4.1. Investment.**

Investments are stated at cost. Income from investments is accounted for on receipt basis.

**4.2. Reserve for Unexpired Risk.**

The Society is following 1 / 24<sup>th</sup> method to calculate the reserve for unearned premium, to comply with the requirements of Insurance Ordinance 2000.

**4.3. Premium due but Unpaid**

These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

**4.4. Amount due from Other Insures / Re-insurers**

Liabilities for insures/re-insures are carried at cost which is the fair value of consideration to be paid in the future for services rendered.

**4.5. Amount due to Other Insures/Reinsurers**

Amount due from insures/reinsures is carried at cost less provision for impairment, if any. Cost represents the fair value of consideration to be received in the future for services received.

#### **4.6. Outstanding Claims.**

The liability in respect of outstanding claims is based on the claims intimated or assessed up to the end of accounting year.

#### **4.7. Cash & Cash Equivalents**

These consist of cash in hand and at banks, stamps in hand, deposits and short term placements with the banks.

#### **4.8 Fixed Assets.**

##### **Owned**

Fixed assets are stated at cost less accumulated depreciation except for Land and Buildings which are stated at revalued amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Depreciation on tangible fixed assets is charged to income applying reducing balance method whereby depreciable amount of an asset is written-off over its estimated useful life at the rates mentioned in note no. 11. Full year depreciation is charged on addition while no depreciation is charged on dispos

al. Gain or loss on disposal of fixed asset is included in income currently.

##### **Leased**

Assets acquired under finance lease are initially recorded at the lower of present value of minimum lease payments under the lease agreement and the fair value of the leased assets. The related obligation under finance lease less financial charges allocated to future periods is shown as a liability. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Leased assets are depreciated on the same basis as owned assets.

#### **4.9. Revenue Recognition.**

Premium income is taken into account at the time of issuance of policies. Dividend income and rent are recognized on receipt basis. Gain or loss on disposal of investments is taken to the profit and loss account on transaction date.

#### **4.10. Taxation.**

The income tax assessments stand finalized up to the tax year 2011. Liability is provided on the taxable income as per the provisions of the Income Tax Ordinance, 2001.

#### **4.11. Expenses of Management**

These are allocated to various classes of business in proportion to the respective gross premium written for the year.

#### **4.12. Zakat**

Zakat under the Zakat and Usher Ordinance, 1980 is accounted for in the year of deduction..

	2011 Rupees	2010 Rupees
<b>5. RESERVES</b>		
Reserve for exceptional losses.	1,900,000	1,900,000
Capital reserve.	1,151,319	1,151,319
General reserve.	5.1 2,776,464	2,339,896
Depreciation fund for House Property.	729,631	729,631
Reserve for bad and doubtful debts.	529,249	529,249
Investment fluctuation reserve.	144,646	144,646
Dividend equalization fund.	100,000	100,000
Common good fund.	57,700	57,700
Share transfer fund.	22,479	22,479
	<b>7,411,488</b>	<b>6,974,920</b>

**5.1 General Reserve**

Opening balance	2,339,896	2,155,925
Add: Transfer during the year @ 25% of profit	436,568	183,971
Balance as at December 31, 2011	<b>2,776,464</b>	<b>2,339,896</b>

**6. SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT**

Opening balance	618,063,380	618,901,144
Less: Incremental Depreciation	(795,876)	(837,764)
Balance as at December 31, 2011	<b>617,267,504</b>	<b>618,063,380</b>

Property, plant & equipment i.e. land and buildings of Head Office, Lahore and Rawalpindi were revalued on December 12, 2006 by an independent valuer M/s Muhammad Siddique Associates, an approved valuers of Pakistan Banks' Association.

The incremental depreciation is charged to the surplus on revaluation.

	2011 Rupees	2010 Rupees
<b>7. OTHER CREDITORS &amp; ACCRUALS</b>		
Excise duty payable.	17,115	-
Federal Insurance fee payable.	1,119	-
Rent Securities.	845,000	845,000
Sindh Sales Tax payable	783	-
Bonus Payable	247,519	197,644
	<b><u>1,111,536</u></b>	<b><u>1,042,644</u></b>

#### **8. CONTINGENCIES & COMMITMENTS**

The Securities & Exchange Commission of Pakistan (SECP) vide its directive under section 63(1) read with section 11 of the Insurance Ordinance, 2000 dated May 08, 2009 ordered the Society to cease entering into new contracts of insurance for transferring surplus on revaluation of land and building to share capital in contravention of the Companies Ordinance, 1984 and not maintaining Statutory deposits under clause (a) of sub-section (2) of section 29 of Insurance Ordinance 2000. The SECP also published the directive in daily newspapers. The Society filed writ petition before the Honourable Lahore High Court, Rawalpindi Bench who ordered for suspension of public notice issued based on the directive and the case is subjudice before the august court. The Management is confident for a favourable outcome in this regards as being a Cooperative Society it is not hit by the provisions of the Companies Ordinance. 1984 and has not committed any violation

#### **9. LONG TERM INVESTMENT**

Held to Maturity	9.1	361,450	361,450
Available for Sale	9.2	5,146,305	4,656,305
		<b><u>5,507,755</u></b>	<b><u>5,017,755</u></b>

##### **9.1 Held to Maturity**

Deposit with State Bank of Pakistan	350,600	350,600
Defence Saving Certificates	10,850	10,850
	<b><u>361,450</u></b>	<b><u>361,450</u></b>

**9.2 Available for Sale****9.2.1 Listed Equities**

	<b>Number of Certificates</b>		<b>Face Value Per Certificate</b>	<b>Company's Name</b>	<b>2011</b>	<b>2010</b>
	<b>2011</b>	<b>2010</b>			<b>Rupees Cost</b>	<b>Rupees Cost</b>
1	779,998	779,998	10	Pakistan Re-insurance Company Ltd	131,620	131,620
2	5,444	5,444	10	Zeal Pakistan Cement Factory Limited	190,555	190,555
3	155,898	135,564	10	Feroze sons Laboratories Ltd	181,030	181,030
					<b>503,205</b>	<b>503,205</b>

The market value of listed equities as at December 31, 2011 was Rs 24,874,441 (2010: Rs 24,489,054)

**9.2.2 Unlisted Equities**

	<b>Number of Certificates</b>		<b>Face Value</b>	<b>Company's Name</b>	<b>2011</b>	<b>2010</b>
	<b>2011</b>	<b>2010</b>			<b>Rupees Cost</b>	<b>Rupees Cost</b>
1	40,000	40,000	10	Akbar Textile Mills Limited	200,000	200,000
2	6	6	100	Punjab Provincial coop. Cotton Corp. Ltd.	600	600
3	250	250	100	Coop. Investment Management Agency	25,000	25,000
4	44,075	39,275	100	Punjab Provincial Coop. Bank Limited	4,407,500	3,927,500
5	1,000	-	10	National Cooperative Supply Corporation	10,000	-
					<b>4,643,100</b>	<b>4,153,100</b>
					<b>5,146,305</b>	<b>4,656,305</b>

**10. SUNDRY RECEIVABLE**

Security Deposits.	63,050	63,050
Deposit against Appeals.	600,000	600,000
Advance to Karachi Office	-	147,002
Advance to Multan Office	23,268	82,358
Receivable from Provident Fund	500,000	500,000
Advance rent	-	2,500
Excise duty payable.	-	37,081
Federal Insurance fee payable.	-	7,574
Staff advance	150,000	200,000
	<b>1,336,318</b>	<b>1,639,565</b>



11. FIXED ASSETS - TANGIBLE

Particulars	WDV				Depreciation		Written Down Value As At 31-12-2011
	Balance 1-1-2010	Addition	Deletion	Balance 31-12-2011	Rate	For the year	
<b><i>Owned Assets</i></b>							
Land - at Cost	2,462,007	-	-	2,462,007	-	-	2,462,007
Land - at Revaluation	897,956,500	-	-	897,956,500	-	-	897,956,500
Buildings	44,053	-	-	44,053	5%	2,203	41,850
Building - at Revaluation	15,917,535	-	-	15,917,535	5%	795,876	15,121,659
Motor Vehicles	911,549	-	18,883	892,666	20%	178,533	714,133
Furniture & Fixtures	267,917	-	-	267,917	10%	26,792	241,125
Cycle	2,191	-	-	2,191	10%	219	1,972
Sui Gas Installation	410	-	-	410	10%	41	369
<b>Rupees 31-12-2011</b>	<b>917,562,162</b>	<b>-</b>	<b>(18,883)</b>	<b>917,543,279</b>		<b>1,003,663</b>	<b>916,539,616</b>
<b>Rupees 31-12-2010</b>	<b>918,653,989</b>	<b>679,265</b>	<b>(673,065)</b>	<b>918,660,189</b>		<b>1,098,027</b>	<b>917,562,162</b>

	2011 Rupees	2010 Rupees
<b>12. MANAGEMENT EXPENSES</b>		
Salaries, Wages & Benefits.	4,345,825	4,956,484
Rent, Taxes, Electricity etc.	649,771	535,913
Communication.	208,011	229,310
Printing & Stationery.	196,510	195,337
Travelling & Entertainment.	640,684	1,095,703
Repair & Maintenance.	162,106	313,208
Auditor's Remuneration	12.1 54,000	49,700
Legal & Professional Charges.	575,375	875,887
Advertisement & Sale Promotion.	52,000	26,000
Fee and subscription	425,000	425,000
Other Expenses.	495,836	545,130
	<b>7,805,118</b>	<b>9,247,672</b>
<b>12.1 Auditor's Remuneration</b>		
Audit Fee-Society accounts	40,000	40,000
Audit Fee-Provident fund accounts	6,500	4,700
Certification fee	7,500	5,000
	<b>54,000</b>	<b>49,700</b>
<b>13. OTHER INCOME</b>		
Donation	24,400	55,400
Miscellaneous Receipts	-	2,386
Profit on sale of vehicles	96,117	-
	<b>120,517</b>	<b>57,786</b>
	4,345,825	4,956,484
<b>14. GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
T.a / D.A	271,160	258,896
Depreciation	207,788	260,263
Bonus	199,427	197,644
Provident Fund	60,810	48,371
	<b>739,185</b>	<b>765,174</b>
<b>15. EVENTS AFTER THE REPORTING PERIOD</b>		

The Board of Directors at their meeting held on 30,-04-2012 has proposed a cash dividend of Rs 0.033 per share amounting to a total dividend of Rs 1,000,000/- (2010: Rs Nil), for approval of the members at the annual general meeting.

#### 16. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized by the board of directors of the society.

#### 17. FIGURES

- have been rounded off to the nearest rupee.
- of previous year have been rearranged wherever necessary for the purpose of comparison.

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**

**THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED**

**CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN**

**AS AT DECEMBER 31, 2011**

<b>CLASS OF ASSETS</b>	<b><u>2011</u></b>		<b><u>2010</u></b>		<b>Valuation Basis.</b>
	<b>Cost or Book Value.</b>	<b>Market Value.</b>	<b>Cost or Book Value.</b>	<b>Market Value.</b>	
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Cash-in-hand and at Bank	9,502,837	9,502,837	9,560,760	9,560,760	Book Value
Fixed & Terms Deposit with Scheduled Banks.	2,650,000	2,650,000	2,650,000	2,650,000	Book Value
Government Securities with State Bank of Pakistan and with society	361,450	361,450	361,450	361,450	Book Value
Shares	5,146,305	29,517,541	4,656,305	28,642,154	Market Value
Premium due but unpaid	33,284	33,284	-	-	Book Value
Premium and Claims reserves retained by cedent	300,087	300,087	300,087	300,087	Book Value
Sundry Receivable.	1,336,318	1,336,318	1,639,565	1,639,565	Book Value
Prepayments	368,078	368,078	565,038	565,038	Book Value
Land and Building.	915,582,017	915,582,017	916,380,095	916,380,095	Market/Book Value
Furniture, Fixture and Office Equipment.	241,494	241,494	268,327	268,327	Book Value
Vehicles.	716,105	716,105	913,739	913,739	Book Value
<b>Total Assets:</b>	<b><u>936,237,974</u></b>	<b><u>960,609,211</u></b>	<b><u>937,295,366</u></b>	<b><u>961,281,215</u></b>	

Sh. Anwar-ul-Haq Piracha  
**Chairman**

Ch. Akhter Mahmood  
**Director**

M. Aamir Inayat Shahani  
**Director**

Fateh Khan Niazi  
**Asstt. General Manager**