



HAMEED KHAN & CO.

Chartered Accountants

16-A, Link Farid Kot Road, Near A.G Office,
Lahore- Pakistan.

Tel: 37234562-37222149-37362491 Fax: 92-42-37351851

E-mail: hameed@brain.net.pk, hameed@inbox.pk



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed financial statements comprising of;

- i) Balance Sheet
- ii) Profit & Loss Account
- iii) Statement of Changes in Equity
- iv) Cash Flow Statement
- v) Statement of Premium
- vi) Statement of Claim
- vii) Statement of Expenses; and
- viii) Statement of Investment income

of **M/s The Cooperative Insurance Society of Pakistan Limited** as at December 31, 2014 together with 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 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 statement. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion and after due verification we report that:-

- i) The Society has not complied with circular 03 of 2007 dated April 10, 2007 issued by Securities & Exchange Commission of Pakistan regarding the minimum requirement of paid 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 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/46.51/cooperative/2008 dated May 08, 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. 10 to the financial statements.

In our opinion: -

- a) Proper books of accounts 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 records of the Society and are further in accordance with accounting policies consistently applied,;
- c) The financial statements together with the notes thereon, except for the effects of matter referred to in paragraph 1, present fairly, in all material respects, the state of Society's affairs as at December 31, 2014 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 Cooperative Societies Act, 1925 and Insurance Ordinance, 2000 in the manner so required and except to the extent to which the reservation mentioned in paragraph 1 above affect the annexed financial statements, respectively give a true and fair view of the state of the society's affairs as at December 31, 2014 and of the profit for the year then ended; and
- d) No Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore: 27 APR 2015
Dated:


Hameed Khan & Co.
Chartered Accountants


Audit Engagement Partner:
Abdul Hameed Khan



THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2014

	Note	2014 Rupees	2013 Rupees
Cash and Bank Deposits			
Cash and other equivalents		199,821	102,922
Current and other accounts		9,833,782	9,887,023
Deposits maturing within 12 months		500,000	500,000
		10,533,603	10,489,945
Long Term Investments	10	7,504,695	7,692,855
OTHER CURRENT ASSETS			
Prepayment-prepaid reinsurance premium		293,796	424,265
Deferred Commission		257,940	156,788
Premium due but unpaid		63,546	-
Taxation - Payments less provision		304,521	182,181
Sundry Receivables	11	1,941,009	594,040
		2,860,812	1,357,273
NON CURRENT ASSETS			
Fixed Assets - Tangible			
Land		1,939,975,000	1,939,975,000
Buildings		46,811,283	49,275,035
Furniture, Fixture & Office Equipment		237,752	254,346
Motor Vehicles		1,074,609	1,345,038
	12	1,988,098,641	1,990,849,419
		2,008,997,751	2,010,389,489

The annexed notes 1-18 form an integral part of these financial statements.

Nadeem Akram Khan
Director

Fateh Khan Niazi

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	Fire and Property	Marine Aviation & Transport	Motor	Others	2014 Aggregate Rupees	2013 Aggregate Rupees
Revenue Account.							
Net Premium Revenue		968,482	8,255	520,336	101,066	2,211,725	1,598,140
Net Claims		(15,000)	15	(268,420)	20	(316,472)	(283,385)
Expenses	13	(5,216,681)	95	(1,512,912)	(29,717)	(6,829,378)	(6,759,215)
Net Commission		(44,721)	(2,823)	(86,758)	(45,486)	(254,131)	(179,789)
Underwriting Results		<u>(4,307,921)</u>	<u>5,542</u>	<u>(1,347,754)</u>	<u>25,883</u>	<u>(5,188,256)</u>	<u>(5,624,249)</u>
Investment Income						3,769,461	3,147,276
Rental Income						5,154,808	5,231,798
Other Income	14					24,519	12,797
General and Administrative	15					(2,040,935)	(1,755,099)
Profit before tax						<u>1,719,597</u>	<u>1,012,523</u>
Taxation-Current year						(616,251)	(372,413)
-Prior year						-	-
-Deferred						247,659	156,979
Profit after tax						<u>(368,592)</u>	<u>(215,434)</u>
						<u>1,351,005</u>	<u>797,089</u>
Profit and Loss Appropriation Account.							
Accumulated profit/(loss) brought forward						8,244,797	7,646,981
Profit after tax for the year						1,351,005	797,089
Transfer to general reserve @ 25% of current year profit						(337,751)	(199,272)
Accumulated profit carried forward						<u>9,258,051</u>	<u>8,244,798</u>

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhtar Mahmood
Director

Nadeem Akram Khan
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, 2014

	Paid up Share Capital	Reserves	Accumulated (Loss)/profit	Total
	(Rs)	(Rs)	(Rs)	(Rs)
Balance as at 01-01-2013	300,000,000	7,778,873	7,646,981	315,425,853
Profit for the year	-	-	797,089	797,089
Transfer during the year	-	199,272	(199,272)	-
Balance as at 31-12-2013	300,000,000	7,978,145	8,244,797	316,222,942
Profit for the year	-	-	1,351,005	1,351,005
Transfer during the year	-	337,751	(337,751)	-
Balance as at 31-12-2013	300,000,000	8,315,896	9,258,051	317,573,947

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nadeem Akram Khan
Director

Fateh Khan Niazi
Asstt: General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
	Rupees	Rupees
Operating Cash Flows.		
a) Underwriting Activities.		
Premium received.	2,811,410	2,703,689
Reinsurance Premium Paid.	(659,744)	(501,321)
Claims Paid.	(228,480)	(266,385)
Reinsurance and other recoveries received.	-	-
Commission Paid.	(510,457)	(291,702)
Commission received.	155,174	94,389
Other Underwriting payments.	(546,072)	(370,522)
Other Underwriting receipts.	500,259	460,823
Net cash flow from underwriting activities.	1,522,090	1,828,971
b) Other operating activities.		
Income tax paid.	(738,591)	(540,102)
General Management expenses paid.	(6,829,378)	(6,757,542)
Other operating payments.	(3,137,176)	(1,298,539)
Other operating receipts.	153,816	65,797
	(10,551,329)	(8,530,386)
Total Cash Flow from other operating activities.	<u>(9,029,239)</u>	<u>(6,701,415)</u>
Investment Activities.		
Profit / Return received.	43,322	51,437
Dividends received.	3,914,299	3,095,839
Rent received.	5,116,975	4,990,905
Proceeds from disposal of fixed assets	12,850	3,000
Investment made	-	(35,470)
Fixed Capital Expenditure.	(14,550)	(1,121,750)
Total Cash Flow from investing activities.	9,072,896	6,983,961
Financing Activities		
Dividend paid	-	(719,115)
	-	(719,115)
Total Cash Flow from all activities.	43,657	(436,569)
Cash and cash equivalent at the beginning of the year.	10,489,945	10,926,514
Cash and cash equivalent at the end of the year.	<u>10,533,602</u>	<u>10,489,945</u>

2014
Rupees

2013
Rupees

Reconciliation to Profit and Loss Account.

Operating Cash Flow.	(9,029,239)	(6,701,415)
Depreciation expense.	(300,352)	(323,574)
Increase / Decrease in assets other than cash.	1,465,708	(93,542)
Increase / Decrease in liabilities other than running finance	37,434	(615,426)
Interest, Dividend, rental and deferred income	9,171,928	8,536,053
Theft of fixed assets	-	(1,673.0)
Loss on sale of fixed assets	5,527	(3,333)
Profit after Taxation.	<u>1,351,006</u>	<u>797,089</u>

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

i) Cash and Cash Equivalents.	199,821	102,922
ii) Cash at Current Accounts.	9,833,782	9,887,023
iii) Cash at Deposit Accounts.	500,000	500,000
	<u>10,533,603</u>	<u>10,489,945</u>

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nadeem Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2014

Class	Premium Written Rs.	Unearned Premium Reserve		Premium Earned Rs.	Reinsurance Ceded Rs.	Prepaid Reinsurance		Reinsurance Expenses Rs.	2014	2013
		Opening Rs.	Closing Rs.			Opening Rs.	Closing Rs.		Net	Net
									Premium Revenue Rs.	Premium Revenue Rs.
Direct and Facultative										
1 Fire and Property Damage	2,040,327	1,181,625	1,040,937	2,181,015	422,121	381,036	227,441	575,716	1,605,299	968,482
2 Marine Aviation and Transport	25,223	-	19,032	6,191	-	-	-	-	6,191	8,255
3 Motor	807,387	304,626	411,300	700,713	100,000	37,500	58,333	79,167	621,546	520,336
4 Miscellaneous	2,020	3,115	1,239	3,896	27,500	5,729	8,021	25,208	(21,312)	101,066
	2,874,956	1,489,365	1,472,507	2,891,815	549,621	424,265	293,796	680,090	2,211,724	1,598,140

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nademm Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. Business underwritten Inside Pakistan

Class	Claims Paid Rs.	Outstanding Opening Rs.	Claims Closing Rs.	Claims Expense Rs.	Reinsurance and other recoveries received Rs.	Reinsurance and other recoveries in respect of <u>outstanding claims</u>		Reinsurance and other recoveries revenue Rs.	2014 Net Claims expenses Rs.	2013 Net Claims expenses Rs.
						Opening Rs.	Closing Rs.			
Direct and Facultative										
1 Fire and Property Damage	-	-	446,650	446,650	-	-	138,858	138,858	307,792	15,000
2 Marine Aviation and Transport	-	-	-	-	-	-	-	-	-	(15)
3 Motor	228,480	261,800	42,000	8,680	-	-	-	-	8,680	268,420
4 Miscellaneous	-	-	-	-	-	-	-	-	-	(20)
	<u>228,480</u>	<u>261,800</u>	<u>488,650</u>	<u>455,330</u>	<u>-</u>	<u>-</u>	<u>138,858</u>	<u>138,858</u>	<u>316,472</u>	<u>283,385</u>

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nademm Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

Class	Commissions Paid or Payable	Opening	Closing	Net Commissions Expenses	Other Management Expenses	Underwriting Expenses	Commission s from reinsurers	2014	2013
								Net underwriting expenses	Net underwriting expenses
	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Direct and Facultative									
1 Fire and Property Damage.	380,716	111,428	184,531	307,613	4,846,739	5,154,352	155,171	4,999,179	5,261,403
2 Marine Aviation and Transport.	3,606	-	3,456	150	59,916	60,067	-	60,067	2,728
3 Motor.	125,891	44,597	69,720	100,768	1,917,924	2,018,692	-	2,018,692	1,599,670
4 Miscellaneous.	244	763	234	773	4,798	5,571	-	5,571	75,203
	<u>510,457</u>	<u>156,788</u>	<u>257,940</u>	<u>409,305</u>	<u>6,829,378</u>	<u>7,238,683</u>	<u>155,171</u>	<u>7,083,509</u>	<u>6,939,004</u>

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nademm Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
STATEMENT OF INVESTMENT INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
Income from Non-Trading Investments.	Rupees	Rupees
<u>Held to Maturity:</u>		
Return on Govrnmnt Securities	-	-
Return on Other Fixed Income Securities and Deposits,	43,322	51,437
	43,322	51,437
<u>Available For Sale:</u>		
Dividend Income.	3,957,621	3,095,839
Less: Provision for impairment	188,160	-
Net Investment Income.	<u>3,769,461</u>	<u>3,147,276</u>

The annexed notes 1-18 form an integral part of these financial statements.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nademm Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED
YEAR ENDED DECEMBER 31, 2014

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. Use of Judgments and Estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The 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 revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	<u>Note</u>
Provision for unearned premiums	4.2
Premium deficiency reserve	4.3
Premium due but unpaid	4.4
Provision for outstanding claims (including IBNR)	4.8

1. 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.

5.1. Investment.

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

5.1.1. Held-to-maturity.

These are securities with fixed or determinable payments and fixed maturity that the Society has a positive intent and ability to hold to maturity. Subsequent to initial recognition, these investments are measured at amortized cost less any accumulated impairment losses.

5.1.2. Available-for-sale.

These are investments that do not fall under the other categories. Subsequent to initial recognition, these are stated at the lower of cost or market value (market value being taken as lower if the reduction is other than temporary) in accordance with the requirements of SEC (Insurance) Rules, 2002.

A fall in market value is treated as other than temporary if there is a significant or prolonged decline in fair value of security below its cost. This determination of what is significant or prolonged required judgment. In making this judgment, the Society evaluates among other factors, the normal volatility in share prices.

5.2. Reserve for Unexpired Risk.

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

5.3. Premium Deficiency Reserve.

The Society is required as per SEC (Insurance) Rules, 2002, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability for claims and other expenses expected to be incurred after balance sheet date in respect of unexpired policies in that class of business at the balance sheet date. The premium deficiency, if any, is recognized as an expense in the profit and loss account.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

5.4. Premium due but Unpaid.

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

5.5. Amount due from Other Insurers / Re-insurers.

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

5.6. Amount due to Other Insurers/Reinsurers.

Amount due from insurers/reinsurers 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.

5.7 Claims

Claims are charged to income as incurred based on estimated liability for compensation owed under the insurance contracts. It includes related external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

5.8. Provision for Outstanding Claims (including IBNR)

The liability in respect of outstanding claims is based on the claims intimated or assessed up to the end of accounting year. In addition, conforming to the requirements of the SEC (Insurance) Rules, 2002, a provision is made on an estimated basis for the claims which may have incurred in the current reporting period but have not been reported to the Society as of the balance sheet date (IBNR), after taking into consideration the expected recoveries and settlement costs. Any difference between the provision at the balance sheet date and settlements in the following years is included in the financial statements of that year.

5.9. Deferred Commission Expense and Deferred Acquisition Costs.

Commission and other acquisition costs incurred in obtaining and recording policies of insurance and re-insurance are deferred and recognized as an asset on acquisition of the related policies. Accordingly, these costs are charged to the profit and loss account as an expense based on pattern of recognition of related premium revenue.

5.10. Cash & Cash Equivalents.

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

5.11. 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. 12. The depreciation on addition is charged from the month in which addition takes place while on deletion depreciation is charged up to the month of disposal. 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.

5.12. Surplus on Revaluation of Fixed Assets.

Any surplus arising on revaluation of fixed assets is credited to the account Surplus on Revaluation of Fixed Assets and is recorded after the equity in the balance sheet. The incremental depreciation on fixed assets is charged to this account and any subsequent revaluation gain or deficit is also accounted for in this account.

5.13. Revenue Recognition.

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

5.14. Taxation.

Current

The income tax assessments stand finalized up to the tax year 2014. Liability is provided on the taxable income as per the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognized using the liability method on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that the taxable profits will be available against which these can be utilized.

5.15. Expenses of Management.

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

5.16. Zakat.

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

		2014 Rupees	2013 Rupees (Restated)
6. RESERVES			
Capital reserve.		3,295,965	3,295,965
General reserve.	5.1	5,019,931	4,682,180
		8,315,896	7,978,145

6.1 General Reserve

Opening balance	4,682,180	4,482,908
Add: Transfer during the year @ 25% of profit	337,751	199,272
	5,019,931	4,682,180

7 SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

Opening balance	1,673,664,190	1,675,371,610
Add: Surplus on revaluation during the year	-	-
Less: Deferred tax liability on surplus on revaluation	-	-
Less: Incremental depreciation	(2,457,650)	(2,587,000)
Add: Deferred tax liability	811,024	879,580
	1,672,017,565	1,673,664,190

During the year, 2012 the Land and Buildings of the Society got revalued by an independent valuer M/s Muhammad Siddique Associates (Pvt) Ltd, an approved valuer of Pakistan Bank's Association on June 27, 2012 and December 27, 2012.

The incremental depreciation is charged to the surplus on revaluation of fixed assets.

8 DEFERRED LIABILITIES

Deferred tax liability	14,591,469	15,650,152
------------------------	-------------------	-------------------

	2014 Rupees	2013 Rupees
9 OTHER CREDITORS & ACCRUALS		
Duties and Taxes Payable	77,685	123,498
Rent Securities.	1,255,000	1,280,000
Bonus Payable	351,557	289,282
Other	90,565	80,471
	1,774,807	1,773,251

10 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 of Insurance Ordinance, 2000.

11 LONG TERM INVESTMENT

Held to Maturity	11.1	2,511,450	2,511,450
Available for Sale	11.2	4,993,245	5,146,305
		7,504,695	7,657,755

11.1 Held to Maturity

Cash deposit with State Bank of Pakistan	2,500,600	2,500,600
Defence Saving Certificates	10,850	10,850
	2,511,450	2,511,450

11.2 Available for Sale

11.2.1 Listed Equities

	Number of Certificates		Face Value Per Certificate	Company's Name	2014	2013
	2014	2013			Rupees Cost	Rupees Cost
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	163,692	163,692	10	Feroze sons Laboratories Ltd	181,030	181,030
					503,205	503,205
Less: Provision for impairment					188,160	-
					<u>315,045</u>	<u>503,205</u>

The market value of listed equities as at December 31, 2014 was Rs:114,938,043 (2013: Rs 47,964,613)

11.2.2 Unlisted Equities

	Number of Certificates		Face Value	Company's Name	2014	2013
	2014	2013			Rupees Cost	Rupees Cost
1	40,000	40,000	10	Akbar Textile Mills Ltd.	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	44,426	44,426	100	Punjab Provincial Coop. Bank Limited	4,442,600	4,442,600
5	100	100	100	National Cooperative Supply Corporation	10,000	10,000
					4,678,200	4,678,200
					<u>4,993,245</u>	<u>5,181,405</u>

12 SUNDRY RECEIVAB

Security Deposits.	77,414	77,414
Rent Receivable	278,726	240,893
Income Tax refund	1,134,971	-
Staff advance	126,000	147,000
Others	323,898	128,731
	<u>1,941,009</u>	<u>594,038</u>

13 FIXED ASSETS - TANGIBLE

Particulars	WDV				Depreciation			Written Down Value As At 31-12-2014
	Balance 01-01-2014	Addition	Deletion	Balance	Rate	Eliminate for disposal	For the year	
Owned Assets								
Land	2,416,625	-	-	2,416,625	-	-	-	2,416,625
Land - Revaluation surplus	1,937,558,375	-	-	1,937,558,375	-	-	-	1,937,558,375
Buildings	122,045	-	-	122,045	5%		6,102	115,943
Building - Revaluation surplus	49,152,990	-	-	49,152,990	5%		2,457,650	46,695,341
Motor Vehicles	1,340,447	-	2,350	1,338,097	20%	157	267,620	1,070,478
Furniture & Fixtures	192,575	-	5,400	187,175	10%	270	18,718	168,457
Office Equipment	61,471	14,550	-	76,021	10%		6,996	69,026
Cycle	4,592	-	-	4,592	10%		459	4,133
Sui Gas Installation	300	-	-	300	10%		30	270
Rupees 31-12-2014	1,990,849,420	14,550	7,750	1,990,856,220		427	2,757,575	1,988,098,644

13.1 FIXED ASSETS - TANGIBLE

Particulars	WDV				Depreciation			Written Down Value As At 31-12-2013
	Balance 01-01-2013	Addition	Deletion	Balance	Rate	Eliminate for Disposal	For the year	
Owned Assets								
Land	2,416,625	-	-	2,416,625	-	-	-	2,416,625
Land - Revaluation surplus	1,937,558,375	-	-	1,937,558,375	-	-	-	1,937,558,375
Buildings	82,870	43,500	-	126,370	5%	-	4,325	122,045
Building - Revaluation surplus	51,739,990	-	-	51,739,990	5%	-	2,587,000	49,152,990
Motor Vehicles	569,829	1,061,500	-	1,631,329	20%	-	290,883	1,340,447
Furniture & Fixtures	220,480	-	6,333	214,147	10%	-	21,573	192,575
Office Equipment	55,967	12,000	1,673	67,967	10%	-	6,497	61,471
Cycle	1,777	4,750	-	4,854	10%	-	262	4,592
Sui Gas Installation	333	-	-	333	10%	-	33	300
Rupees 31-12-2013	1,992,646,247	1,121,750	8,006	1,993,759,990		-	2,910,573	1,990,849,419

	2014 Rupees	2013 Rupees
14 MANAGEMENT EXPENSES		
Salaries, Wages & Benefits.	4,659,457	4,500,956
Rent, Taxes, Electricity etc.	535,699	637,110
Communication.	182,978	192,615
Printing & Stationery.	189,287	154,629
Travelling & Entertainment.	558,514	569,264
Repair & Maintenance.	201,690	234,013
Advertisement & Sale Promotion.	26,000	26,000
Fee and subscription	226,000	205,250
Other Expenses.	249,753	239,378
	6,829,378	6,759,215
15 OTHER INCOME		
Donations received	-	2,849
Miscellaneous Receipts	18,992	9,948
Profit on sale of vehicles	5,527	-
	24,519	12,797
16 GENERAL & ADMINISTRATIVE EXPENSES		
T.a / D.A	306,456	242,942
Donations paid	125,000	-
Depreciation	300,352	323,574
Bonus	284,384	255,136
Website Expense	6,000	8,000
Loss on Disposal of Fixed Assets	-	3,333
Provident Fund	63,658	69,183
Legal & Professional Charges	15.1 955,085	852,931
	2,040,935	1,755,099
16.1 Auditor's Remuneration		
Audit Fee - Society accounts	80,000	80,000
Audit Fee - Provident fund accounts	10,000	10,000
Certification fee	7,500	7,500
	97,500	97,500

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized by the board of directors of the society in the meeting held on 27-04-2015.

18 FIGURES

i) Figures in these financial statements have been rounded off to the nearest rupee and have been re-arranged/re-classified wherever necessary for the purpose of comparison, however there has been no material re-arrangements/re-classification.

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nademm Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager

THE COOPERATIVE INSURANCE SOCIETY OF PAKISTAN LIMITED

CLASSIFIED SUMMARY OF ASSETS IN PAKISTAN

AS AT DECEMBER 31, 2014

CLASS OF ASSETS	2014		2013		Valuation Basis.
	Cost or Book Value.	Market Value.	Cost or Book Value.	Market Value.	
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Cash-in-hand and Bank Balance.	10,033,603	10,033,603	9,989,945	9,989,945	Book Value
Fixed & Terms Deposit with Scheduled Banks.	500,000	500,000	500,000	500,000	Book Value
Government Securities with State Bank of Pakistan and with society	2,511,450	2,511,450	2,511,450	2,511,450	Book Value
Shares	4,993,245	119,616,243	5,181,405	52,642,813	Book Value
Deferred Commission	257,940	257,940	156,788	156,788	Book Value
Premium receivable	63,546	63,546.0	-	-	
Payments less Provision for Taxation	304,521	304,521	182,181	182,181	Book Value
Sundry Receivable.	1,941,009	1,941,009	594,040	594,040	Book Value
Prepayments	293,796	293,796	424,265	424,265	Book Value
Land and Building.	1,986,786,283	1,986,786,283	1,989,250,035	1,989,250,035	Market/Book Value
Furniture, Fixture and Office Equipment.	237,752	237,752	254,346	254,346	Book Value
Vehicles.	1,074,609	1,074,609	1,345,038	1,345,038	Book Value
Total Assets:	2,008,997,751	2,123,620,749	2,010,389,489	2,057,850,897	

Sh. Anwar-ul-Haq Piracha
Chairman

Ch. Akhter Mahmood
Director

Nadeem Akram Khan
Director

Fateh Khan Niazi
Asstt. General Manager