

Prospectus

Continued from page 7

	1994	1993	1992	1991	1990
Expenses of management	18,593,243	24,844,215	33,165,927	38,760,469	41,478,264
Reserve for un-expired risks as at 01 January	18,257,989	14,624,880	15,152,806	16,367,618	20,556,238
Total (b)	18,524,488	52,656,497	71,695,345	70,339,494	72,032,522
Underwriting profit (a - b)	2,144,863	7,079,382	3,453,916	15,528,305	19,832,528
Add: Investment income	7,095,423	7,990,578	8,348,704	7,907,296	6,985,288
Add: Miscellaneous income	12,437	18,038	44,241	24,423	179,714
Total	9,252,723	14,687,998	11,846,861	23,460,024	26,997,530
Less: Expenses of management (not applicable to any fund or account)	7,270,932	5,491,151	7,128,071	9,272,561	11,415,218
Net profit before tax	981,791	9,196,847	4,718,790	14,187,463	15,582,312
Provision for Income Tax	4,618,266	5,400,000	5,400,000	5,400,000	5,400,000
Net profit after tax	1,981,791	4,578,581	4,718,790	8,787,463	10,182,312
Add: Balance brought forward from last year	3,080	3,080	31,661	31,661	60,793
Total	1,984,871	4,581,661	4,750,451	8,789,124	10,201,105

	1994	1993	1992	1991	1990
Appropriation	1,981,791	800,000	4,718,790	3,308,331	4,700,000
Reserve for exceptional losses	3,750,000	3,750,000	5,400,000	5,400,000	5,400,000
Provision for dividend	3,080	31,661	31,661	60,793	101,105
Retained profit/(loss)	1,984,871	4,581,661	4,750,451	8,789,124	10,201,105

We also report that the Company has declared dividends for the years 1991 & 1993 at the rate of 12.5% & 18% respectively and has proposed 18% dividend for the year 1994 on its ordinary shares. No dividend was paid for the year 1990 & 1992.

ACCOUNTS

Accounts in respect of the period subsequent to 31 December 1994 have not been prepared by the Company.

Dhaka, 05 April 1995

Sd/-
Rahman Rahman Huq
Chartered Accountants

a true and fair view

- in the case of the Balance Sheet of the state of the Company's affairs as at 31 December 1994, and
- in the case of Revenue and Profit and Loss Accounts, of the Profit/Loss for the year ended on that date.

The Balance Sheet and the Revenue Accounts have been prepared in accordance with the regulations contained in Part I and Part II (Form A) of the First Schedule and Part I and Part II (Form F) of the Third Schedule of Insurance Act 1938 and that the Company did not pay nor receive commission in any form outside Bangladesh during the year.

As per section 40-C(2) of the Insurance Act 1938 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management, during the year, wherever incurred, directly or indirectly, in respect of the Company's Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Business transacted in Bangladesh, have been duly charged to the related Revenue Accounts and the Profit and Loss Account of the Company.

We have verified the cash and bank balance, securities relating to insurers' loans and investments by actual inspection or by the production of certificates.

Dated: April 5, 1995

Sd/-
Rahman Rahman Huq
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF FEDERAL INSURANCE COMPANY LIMITED

We have audited the attached Balance Sheet of Federal Insurance Company Limited as at 31 December 1994 and the annexed Fire, Marine Cargo, Marine Hull, Motor and Miscellaneous Insurance Revenue Accounts, Profit and Loss Account and Profit and Loss Appropriation Account for the year ended on that date in which are incorporated the returns from the branch offices certified by the branch managers.

We report that:

- We have obtained all the information and explanations necessary for the purpose of our audit.
- In our opinion, proper books of account as required by law have been kept so far as appears from our examination and proper returns adequate for the purposes of our audit have been received from branches.
- The Balance Sheet, Revenue Accounts, Profit and Loss Account and Profit and Loss Appropriation Account are in agreement with the books of account and returns.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1913, in the manner applicable to Insurance Companies and on such basis, subject to the Notes to the accounts, give

BALANCE SHEET AS AT 31 DECEMBER 1994

	1994	1993	1992	1991	1990
CAPITAL AND LIABILITIES					
Shareholders' Capital					
Authorized Capital:					
2,000,000 ordinary shares of Tk. 100 each	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Issued, Subscribed, and Paid up Capital:					
300,000 ordinary shares of Tk. 100 each	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Reserve or Contingency Accounts					
Reserve for exceptional losses	16,597,370	11,897,370	8,589,039	3,870,249	3,070,249
Proposed Dividend	5,400,000	5,400,000	-	3,750,000	-
Profit and Loss Appropriation Account Balance	101,105	60,793	31,661	31,661	3,080
Balance of Funds and Accounts					
Fire Insurance Business	7,127,661	7,960,917	6,292,257	4,026,753	7,491,929
Marine Cargo Insurance Business	10,831,709	5,797,220	5,373,317	7,878,625	6,267,388
Marine Hull Insurance Business	134,724	163,318	1,320,237	275,133	358,951
Motor Insurance Business	1,865,346	1,586,673	1,125,536	1,017,484	946,492
Miscellaneous Insurance Business	596,798	859,490	1,041,459	1,426,885	3,193,229
Total	20,556,238	16,367,618	15,152,806	14,624,880	18,257,989
Estimated liability in respect of outstanding claims whether due or intimated					
	7,221,231	13,756,675	14,752,778	14,700,674	9,840,952
Amount due to other persons or bodies carrying on insurance business					
	37,182,366	39,265,421	26,944,292	21,159,255	19,825,301
Sundry Creditors					
(including provision for expenses and taxes)	28,858,319	16,322,197	9,875,348	16,188,596	14,046,980
Other Sums Owing					
Premium Deposit Accounts	49,157,689	21,137,498	6,906,899	8,453,135	10,451,562
Total	195,074,318	154,207,572	112,252,823	112,778,450	105,496,113

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993	1992	1991	1990
Interest on Investments and on Deposits with Banks (Net)	6,985,288	7,907,296	8,348,704	7,590,578	7,095,423
Miscellaneous Income	179,714	24,423	44,241	18,038	12,437
Profit transferred from:					
Fire Insurance Revenue Account	3,356,447	2,602,615	-	5,017,391	925,658
Marine Cargo Insurance Revenue Account	13,583,639	7,910,002	11,942,761	-	2,382,804
Marine Hull Insurance Revenue Account	1,400,894	-	270,824	-	-
Motor Insurance Revenue Account	830,933	2,941,043	-	3,997,077	-
Miscellaneous Insurance Revenue Account	660,615	2,403,396	-	-	-
Total	26,997,530	23,788,775	20,606,530	16,623,084	10,416,322

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 1994

	1994	1993	1992	1991	1990
Balance brought forward from last year	60,793	31,661	31,661	3,080	3,080
Balance for the year brought from Profit and Loss Account	15,582,312	14,187,463	4,718,790	9,196,847	1,981,791
Total	15,643,105	14,219,124	4,750,451	9,199,927	1,984,871

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993	1992	1991	1990
Claims under policies less re-insurance:					
Paid during the year	902,346	4,412,205	15,702,794	3,568,784	818,586
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,454,123	2,412,454	3,704,040	3,780,170	2,687,169
Less: Outstanding at the end of previous year	2,412,454	3,704,040	3,780,170	2,687,169	1,294,349
Agency commission	6,407,960	4,830,699	-	283,665	997,818
Commission on re-insurance accepted	258,835	297,691	98,612	103,270	101,657
Expenses of management	14,831,028	16,784,087	10,862,716	7,367,012	7,654,547
Profit transferred to Profit & Loss Account	3,356,447	2,602,615	-	5,017,391	925,658
Balance of account at the end of the year as shown in the balance sheet:	7,127,661	7,960,917	6,292,257	4,026,753	7,491,929
Reserve for unexpired risks	16,597,370	11,897,370	8,589,039	3,870,249	3,070,249
Total	31,925,946	35,596,628	32,880,249	21,459,876	19,383,015

BALANCE SHEET AS AT 31 DECEMBER 1994

	1994	1993	1992	1991	1990
PROPERTY AND ASSETS					
Investments (at cost)					
Statutory Deposit with Bangladesh Bank in the form of 8 years Pratiksha Sanchaya Patra	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
17% Debenture	1,597,200	1,998,000	2,398,800	3,000,000	3,000,000
Share with Eastern Bank Ltd.	1,692,000	1,692,000	1,879,000	-	-
Pratiksha Sanchaya Patra	800,000	-	-	-	-
Agents Balance	6,276,923	1,707,500	124,584	125,578	1,251,727
Outstanding Premium	3,123,279	3,196,828	3,910,577	7,942,714	6,757,820
Interest accrued but not due (on investment in Pratiksha Sanchaya Patra, debenture and fixed term deposits with banks)	7,971,796	6,917,421	5,853,618	5,124,079	4,353,344
Amount due from other persons or bodies carrying on insurance business	26,979,444	22,550,133	6,130,275	9,808,182	29,854
Sundry Debtors (including advances, deposits and prepayments)	19,542,521	5,798,974	2,422,629	1,877,772	1,621,528
Cash					
At bank on fixed deposit and short term deposit account	98,544,545	94,642,456	76,049,143	71,130,091	73,334,816
Current account	1,570,802	1,979,943	455,614	379,669	455,594
Cash in hand	806,332	801,202	743,635	936,331	1,534,956
Cash in transit	100,921,679	97,423,601	77,348,392	72,446,091	75,420,833
Other Accounts					
Library account	57,126	53,159	31,034	11,136	-
Fixed assets (at cost less depreciation)	21,020,615	7,955,830	7,333,806	7,708,344	8,326,890
Stock of stationery and stamps	591,735	414,126	320,108	234,554	234,117
Total	21,669,476	8,423,115	7,684,948	7,954,034	8,561,007
Total	195,074,318	154,207,572	112,252,823	112,778,450	105,496,113

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993	1992	1991	1990
Expenses of Management (not applicable to any particular fund or account)	8,859,266	7,568,196	5,520,381	3,869,752	4,652,189
Directors' Fees	160,500	144,000	41,500	15,800	29,200
Audit Fees	79,800	90,000	58,000	110,250	50,200
Legal Expenses	89,260	18,900	32,000	81,653	90,540
Statutory Fees for Business License and Annual Registration	131,502	129,684	114,697	68,559	83,465
Charity and Donations	55,715	33,110	146,602	88,690	22,422
Subscriptions and Other Fees	73,869	111,507	83,622	59,062	77,366
Loss on Sale of Assets	-	-	-	-	29,180
Depreciation	1,965,306	1,162,638	1,116,743	1,182,859	1,271,843
Deferred Revenue Expenditure Written Off	-	-	-	-	950,000
Preliminary Expenses Written Off	-	14,526	14,526	14,526	14,527
Loss Transferred from:					
Fire Insurance Revenue Account	-	-	7,779,006	-	-
Marine Cargo Insurance Revenue Account	-	-	-	1,411,906	-
Marine Hull Insurance Revenue Account	-	-	579,828	321,301	130,346
Motor Insurance Revenue Account	-	328,751	-	201,879	856,349
Miscellaneous Insurance Revenue Account	-	-	400,835	-	176,904
Balance for the year carried to Profit and Loss Appropriation Account	15,582,312	14,187,463	4,718,790	9,196,847	1,981,791
Total	26,997,530	23,788,775	20,606,530	16,623,084	10,416,322

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31 DECEMBER, 1994

	1994	1993	1992	1991	1990
Reserve for exceptional losses	4,700,000	3,308,331	4,718,790	800,000	1,981,791
Proposed dividend	5,400,000	5,400,000	-	3,750,000	-
Provision for taxation	5,442,000	5,450,000	-	4,618,266	-
Balance at the end of the year as shown in the Balance Sheet	101,105	60,793	31,661	31,661	3,080
Total	15,643,105	14,219,124	4,750,451	9,199,927	1,984,871

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993	1992	1991	1990
Balance of account at beginning of the year:					
Reserve for unexpired risks	7,960,917	6,292,257	4,026,753	7,491,929	3,940,380
Premium less re-insurance	18,178,045				