

**NEW HAMPSHIRE INSURANCE
COMPANY – PAKISTAN BRANCH**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014



AUDITORS' REPORT TO THE DIRECTORS

We have audited the annexed financial statements comprising of:

- (i) balance sheet;
- (ii) profit and loss account;
- (iii) statement of cash flows;
- (iv) statement of premiums;
- (v) statement of claims;
- (vi) statement of expenses; and
- (vii) statement of investment income

of **New Hampshire Insurance Company – Pakistan Branch (the Branch)** as at **December 31, 2014** together with the notes forming part thereof, for the year then ended.

It is the responsibility of the Branch'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 (XXXIX of 2000) and the Companies Ordinance, 1984 (XLVII of 1984). 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. These 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 presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) proper books of accounts have been kept by the Branch as required by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984;
- (b) the financial statements together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Ordinance, 1984, and accurately reflect the books and records of the Branch 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 Branch's affairs as at December 31, 2014 and of the profit and its cash flows for the year then ended, in accordance with the approved accounting standards as applicable in Pakistan, and the information required to be disclosed by the Insurance Ordinance, 2000 and the Companies Ordinance, 1984; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Chartered Accountants
Engagement Partner: **Rashid A. Jafer**
Dated: April 15, 2015
Karachi

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NEW HAMPSHIRE INSURANCE COMPANY - PAKISTAN BRANCH
BALANCE SHEET
AS AT DECEMBER 31, 2014

	Note	2014	2013
		----- Rupees in '000 -----	
Head office account	7	1,245,836	1,033,814
Underwriting provisions			
Provision for outstanding claims (including IBNR)		451,256	874,760
Provision for unearned premium		672,012	585,631
Commission income unearned		124,793	118,511
Total underwriting provisions		1,248,061	1,578,902
Creditors and accruals			
Amounts due to other insurers / reinsurers	8	917,880	922,638
Accrued expenses	9	111,082	96,309
Other creditors and accruals	10	81,926	59,196
		1,110,888	1,078,143
TOTAL LIABILITIES		2,358,949	2,657,045
TOTAL EQUITY AND LIABILITIES		3,604,785	3,690,859
CONTINGENCIES AND COMMITMENTS	12		
Cash and bank deposits	13		
Cash and other equivalent		1,011	726
Current and other bank accounts		125,888	248,004
Deposits maturing within 12 months		816,850	910,000
		943,749	1,158,730
Investments	14	1,085,121	721,292
Deferred taxation	15	8,789	6,544
Security deposits		3,219	3,244
Other Assets			
Premium due but unpaid	16	246,855	229,715
Amounts due from other insurers / reinsurers	17	401,527	220,705
Salvage recoveries accrued		3,535	5,499
Accrued income on investments and deposits	18	47,426	14,367
Reinsurance recoveries against outstanding claims	19	301,313	786,650
Taxation - payments less provision	20	24,756	6,195
Deferred commission expense		85,674	81,751
Prepayments	21	415,197	405,298
Loans to employees - unsecured - considered good	22	3,267	2,556
Sundry receivables	23	692	532
		1,530,242	1,753,268
Fixed Assets			
Tangible and Intangible assets			
Leasehold improvements		5,456	7,824
Furniture and fittings		6,335	7,877
Office equipment		3,874	5,231
Computers and EDP equipment		1,500	2,495
Vehicles		16,473	23,164
Software		27	120
Capital work-in-progress		-	1,070
	24	33,665	47,781
TOTAL ASSETS		3,604,785	3,690,859

The annexed notes 1 to 36 form an integral part of these financial statements.

Alto
Manager for Pakistan / Principal Officer

Mumtaz
Assistant General Manager

Fahad
Chief Financial Officer

