
AUDITORS' REPORT
TO THE SHAREHOLDERS OF PROGRESSIVE LIFE INSURANCE COMPANY LIMITED

We have audited the accompanying Balance Sheet of the Progressive Life Insurance Company Limited as of December 31, 2004, the related Life Revenue Account and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with BSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the Company's affairs as of December 31, 2004 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, the Insurance Rules 1958 and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii) the Company's Balance Sheet and Life Revenue Account and its cash flows dealt with by the report are in agreement with books of accounts and returns;
- iv) the expenditure incurred was for the purposes of the company's business;
- v) 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 wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related revenue accounts of the company; and
- vi) as per regulation 11 of part 1 of the third schedule of the Insurance Act 1938 as amended, we certify that to the best of our information and as shown by its books, the company during the year under report has not paid any person any commission in any from outside Bangladesh from any person any commission in any from in respect of any business re-insurance abroad apart from commission arising out of the re-insurance treaties.

Date: 27 MAR 2005

Place:

Sd/-

G. KIBRIA & CO.

Chartered Accountants

PROGRESSIVE LIFE INSURANCE COMPANY LIMITED

BALANCE SHEET

as at 31 December 2004

CAPITAL AND LIABILITIES	Note	2004	2003	PROPERTY AND ASSETS	Note	2004	2003
		Taka	Taka			Taka	Taka
Share Capital	4.1			Loans			
Authorised				On insurance policies within their surrender value		1,199,208	278,000
2,000,000 Ordinary shares of Tk 100 each		<u>200,000,000</u>	<u>200,000,000</u>				
Issued, Subscribed and Paid-up	4.2			Investment - at cost	14		
300,000 Ordinary shares of Tk 100 each				Including statutory deposit with Bangladesh		17,000,000	4,000,000
called and paid-up in full		30,000,000	30,000,000	Bank (NIB)			
Balance of Funds and Accounts				Interests, Dividends & Rents Accruing but not due	15	2,364,471	557,377
Life Insurance Fund	6	73,476,293	28,461,375	Amounts due from other persons or bodies			
				carrying on Insurance business	16	1,706,575	-
Amount due to other persons or bodies	7	125,108	429,150	Other Assets			
carrying on Insurance business				Advance & deposits	17	7,271,037	7,178,665
				Agents' balance	18	1,550,446	1,550,446
Liabilities and Provisions				Outstanding premium	19	21,654,190	16,658,424
Estimated liabilities in respect of outstanding	8	8,146,090	2,974,830	Sundry debtors (SB)	20	437,125	437,125
claims whether due or intimated				Preliminary expenses	21	-	28,644
Loan from Sponsors/Directors	9	5,763,000	10,000,000	Pre-operation expenses	22	-	77,106
Sundry creditors	10	10,678,501	16,174,044	Fixed assets (at cost less accumulated	23	23,238,616	6,445,812
Lease finance	11	10,612,706	251,000	depreciation)		54,151,414	32,376,222
Financial expenses payable (Lease interest)	12	2,879,602		Cash, Bank and other Balances	24		
Premium deposit	13	447,539	798,232	On Fixed deposit with banks (including deposits			
Other deposits		2,009,509	1,104,637	of Tk 10,000,000 against paid up capital)		15,000,000	12,000,000
		40,536,947	31,302,743	On Current and STD account with banks		31,753,666	26,549,735
				Cash in hand		2,921,356	3,519,802
				Cash in Transit		16,724,526	9,669,056
				Forms, stamps and stationery in hand	25	1,317,131	1,243,076
						67,716,679	52,981,669
		<u>144,138,348</u>	<u>90,193,268</u>			<u>144,138,348</u>	<u>90,193,268</u>

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

AUDITORS' REPORT TO THE SHAREHOLDERS

See annexed report of date

Sd/-

G. KIBRIA & CO.

Chartered Accountants

27 MAR 2005

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

PROGRESSIVE LIFE INSURANCE COMPANY LIMITED

LIFE REVENUE ACCOUNT

For the year ended 31 December 2004

		2004	2003			2004	2003
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>		<u>Note</u>	<u>Taka</u>	<u>Taka</u>
Claim under Policies		13,472,457	4,592,743	Balance of Fund at the			
By death		3,451,150	2,789,645	beginning of the year	5	27,955,477	2,360,836
By survival		8,964,108	1,803,098	Previous year adjustment	27	(1,328,287)	(502,049)
By surrender		333,955		Premium less Re-insurance			
Hospitalization Claim		96,421		First year Premium (ILP)		101,816,187	77,121,293
Profit Commission		626,823		First year Premium (SB)		20,887,209	14,836,485
Expenses of Management	26	144,463,565	108,818,048	First year Premium (Group)		734,365	199,055
Other Expenses				First year Premium (PDPS)		1,147,442	908,715
Preliminary expenses written off	21	28,644	28,646			124,585,203	93,065,548
Pre-operation expenses amortised	22	77,106	77,104	Renewal Premium (ILP)		63,730,278	36,060,000
Depreciation of fixed assets	23	5,704,341	1,944,201	Renewal Premium (SB)		16,847,635	9,898,374
		5,810,091	2,049,951	Renewal Premium (Group)		2,686,581	2,018,745
				Renewal Premium (PDPS)		285,730	
Balance of Fund at the end of the year as						83,550,224	47,977,119
shown in the Balance Sheet		73,476,293	28,461,375	Less: Re-insurance Premium		208,135,427	141,042,667
						172,467	687,920
				Interest, Dividend & Rent		207,962,960	140,354,747
				Other Income		2,233,326	988,658
						398,930	719,925
		237,222,406	143,922,117			237,222,406	143,922,117

AUDITORS' REPORT TO THE SHAREHOLDERS

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

Sd/-

G. KIBRIA & CO.

Chartered Accountants

27 MAR 2005

Sd/-

Sd/-

Sd/-

Sd/-

First year premium, where the maximum premium paying period is:

Single	5,690,491	11,405
Eight years	5,739,196	2,235,014
Nine years	966,751	
Ten years	19,626,308	22,138,168
Eleven years	967,347	265,506
Twelve years & above	91,595,110	68,415,455
	124,585,203	93,065,548

Chairman

Managing Director

Director

Director

PROGRESSIVE LIFE INSURANCE COMPANY LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2004

	2004 December <u>Taka</u>	2003 December <u>Taka</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Collection of Premium	202,788,968	133,368,960
Other income received	398,930	719,925
Payment for Claims	(9,165,544)	(2,129,613)
Payment for Re-insurance, Management expenses and others	(149,534,367)	(101,115,881)
Interest paid	(756,267)	(490,768)
Interest received	425,433	1,618,557
Advance and deposits made	(92,372)	(2,323,310)
Purchase of forms, stamp and stationery	(2,703,320)	(2,875,577)
Increase in Agents balance	-	86,008
Net cash flows from operating activities	41,361,461	26,858,301
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(14,847,686)	(2,490,102)
Loan Against Policies Paid	(921,208)	(259,000)
Investment NIB	(13,000,000)	-
	(28,768,894)	(2,749,102)
CASH FLOW FROM FINANCING ACTIVITIES		
Bank over draft	-	(7,474,559)
Lease Finance	5,400,516	(158,200)
Loan from Sponsors/Director	(4,237,000)	2,327,200
Other Deposits	904,872	708,298
Net cash flows from financing activities	2,068,388	(4,597,261)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	14,660,955	19,511,938
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	51,738,593	32,226,655
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	66,399,548	51,738,593

The financial statement should be read in conjunction with annexed note.

Sd/-
G. KIBRIA & CO.
Chartered Accountants

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

PROGRESIVE LIFE INSURANCE COMPANY LIMITED
STATEMENT OF LIFE INSURANCE FUND
For the year ended 31 December 2004

	2004	2003
	<u>Taka</u>	<u>Taka</u>
ASSETS:		
Loans	1,199,208	278,000
Investment in National Investment Bond	17,000,000	4,000,000
Agents' balances	1,550,446	1,550,446
Outstanding premium	21,654,190	16,658,424
Sundry Debtors	437,125	437,125
Interest, dividend & rent accruing but not due	2,364,471	557,377
Advance & deposits	7,271,037	7,178,665
Amount due from other persons or bodies carrying on Insurance business	1,706,575	-
Preliminary expenses	-	28,644
Pre-operation expenses	-	77,106
Fixed Deposits with Banks	15,000,000	12,000,000
Cash-in-hand and STD & Current Accounts	34,675,022	30,069,537
Cash in Transit	16,724,526	9,669,056
Forms, stamps and stationery in hand	1,317,131	1,243,076
Fixed assets (at cost less accumulated depreciation)	23,238,616	6,445,812
	<u>144,138,348</u>	<u>90,193,268</u>
LIABILITIES:		
Amount due to other persons or bodies carrying on Insurance business	125,108	429,150
Estimated liabilities in respect of outstanding claims		
whether due or intimated	8,146,090	2,974,830
Sundry creditors	10,678,501	16,174,044
Finance expenses payable (Lease Interest)	2,879,602	-
Lease finance	10,612,706	251,000
Premium deposit	447,539	798,232
Other deposits	2,009,509	1,104,637
	<u>34,899,055</u>	<u>21,731,893</u>
GROSS FUND (Assets - Liabilities)	109,239,293	68,461,375
Paid up capital	30,000,000	30,000,000
Loan from sponsors	5,763,000	10,000,000
	35,763,000	40,000,000
LIFE INSURANCE FUND	<u>73,476,293</u>	<u>28,461,375</u>

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
G. KIBRIA & CO.
Chartered Accountants

PROGRESSIVE LIFE INSURANCE COMPANY LIMITED

FORM - AA

Classified Summary of the Assets in Bangladesh as at 31 December 2004

<u>Name of Assets</u>	<u>Book Value Taka</u>	<u>Market Value Taka</u>	<u>Remarks</u>
Investment including statutory deposit with Bangladesh Bank (3 years National Investment Bond)	17,000,000	17,000,000	At cost
Cash on fixed deposits in Bank	15,000,000	15,000,000	Realisable value
Cash in hand and STD & current account in Banks	34,675,022	34,675,022	Realisable value
Cash in Transit	16,724,526	16,724,526	Realisable value
Interest, dividends and rents either outstanding or accrued but not due	2,364,471	2,364,471	Realisable value
Loans on the company's policies effected in Bangladesh within their surrender value	1,199,208	-	Realisable value
Amount due from other persons or bodies carrying on insurance business	1,706,575	1,706,575	Realisable value
<u>OTHER ASSETS</u>			
Advances & deposits	7,271,037	7,271,037	Realisable value
Agents' balance	1,550,446	1,550,446	Realisable value
Outstanding Premium	21,654,190	21,654,190	Realisable value
Sundry Debtors	437,125	437,125	Realisable value
Fixed Assets (at cost less depreciation)	23,238,616	23,238,616	Written down value
Forms, stamps and stationery in hand	1,317,131	1,317,131	Realisable value
	<u>144,138,348</u>	<u>144,138,348</u>	

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
G. KIBRIA & CO.
Chartered Accountants

PROGRESSIVE LIFE INSURANCE COMPANY LIMITED

National Scout Bhaban, 70/1 Inner circular Road, Kakrail, Dhaka- 1000

Notes to the Financial Statements

For the year ended 31 December 2004

1.00 THE COMPANY AND ITS OPERATION

1.01 Status and Legal form of the Company:

Progressive Life Insurance Company Limited was incorporated on 6 January 2000 with the Authorised Capital of Tk. 20,00,00,000 divided into 20,00,000 nos. ordinary shares of Tk.100 each under the Companies Act, 1994. The Company obtained license from Chief Controller of Insurance, Government of the Peoples Republic of Bangladesh under the Insurance Act, 1938 and rules 1958 on 27 February 2000.

1.02 Nature of business activities:

The Company is engaged in all kinds of Life Insurance business whether individual or group including pension, health accident etc. It also operates micro Life Insurance business under names of Sujan Bima and Progressive Deposit Pension Scheme.

1.03 Head Office:

The Company's Head office is situated at National Scout Bhaban (4th floor), 70/1 Inner Circular Road, Kakrail, Dhaka.

2.00 SIGNIFICANT ACCOUNTING POLICIES :

2.01 Basis of presenting accounts :

- a) The financial statements have been prepared in accordance with Bangladesh Accounting Standard and relevant schedule of the Companies Act, 1994 and the Securities & Exchange Rules 1987, following Generally Accepted Accounting Principles (GAAP) applicable in Bangladesh. Consistently applied under historical cost convention.

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted bases as provided in the "Frame work for the preparation and presentation of financial statement" issued by the International Accounting Standards Board (IASB) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

- b) The Balance Sheet has been prepared in accordance with the regulations contained in Part I of the First Schedule and as per Form 'A' as set forth in Part II of that Schedule and the Revenue Account of life insurance business has been prepared in accordance with the regulations as contained in Part I of the Third Schedule and as per Form 'D' as set forth in Part II of that Schedule of the Insurance Act 1938 as amended.

2.02 Fixed Assets :

Fixed Assets are stated at historical cost less accumulated depreciation in accordance with IAS 16 "Recognition of Property, Plant and Equipment", except land and development. Repair & Maintenance are expensed.

2.03 Depreciation :

Depreciation of fixed assets has been charged on straight line method. Rate of depreciation on fixed assets are given below: Full year depreciation has been charged on opening balance and half year depreciation has been charged on addition during the year.

Category of fixed assets:	Rate of Percentage of depreciation p.a.
Furniture & fixtures	15
Electrical equipments	20
Office renovation	20
Computer	20
Office equipments	20
Motor vehicles	20

2.04 Stock of Forms, Stamp & Stationeries:

Stock of Stationeries, Stamps and Forms as at 31 December 2004 valued at cost or realisable value whichever is less.

2.05 Investment :

Investment is made in accordance with the Insurance Act, 1938 and stated in the accounts at their cost of acquisition. Interest on National Investment Bond (NIB) is calculated on accrual basis.

2.06 Change in Accounting Policy :

During the year company changed its accounting policy with respect to the treatment of lease assets related to vehicle which is in course of use for company's business purposes. In order to conform with treatment in BAS-17 "Leases" the company now capitalises rather operating lease. This change in accounting policy has been accounted for retrospectively. The balance of the fund for the year ended 2003 have been re-stated to confirm the changed policy. For the said Assets were capitalized at Tk. 105,16,800 and depreciation over the year of capitalization have been charged in accordance with the company's policy of Tk. 28,67,340. Details effects of the said adoption have been shown in note no. 5,11,12 & 23.

2.07 Income recognition:

- a) Premium income in respect of first year premium has been accounted for on the basis of policies issued and premium received during the year; and
- b) Renewal premium income were accounted for on accrual basis but amount of outstanding premium which actually realised subsequently till the 20 March 2005 were considered as outstanding premium as on the Balance Sheet date.

2.08 a) Commission:

- (i) Commission to Insurance Agent (Less that on Re-insurance) represents first year commission, renewal commission, progressive deposit pension scheme commission and group commission.
- (ii) Allowance and commission (other than commission to Insurance Agent less that on Re-insurance) represent field officer salary and allowance including bonuses.

b) Claims:

Claims are considered to be incurred when intimation is received. Provision for outstanding of claims has been made based on the intimation of claim received during the year.

2.09 Preliminary expenses :

Preliminary expenses are being written off within 5 years commencing from 2000.

2.10 Pre-operation expenses :

Pre-operation expenses are being amortised within 5 years commencing from 2000.

2.11 Cash Flow Statement :

Cash Flow Statement is prepared in accordance with IAS-7 (BAS-6) and Cash Flow from operating activities have been presented under direct method as outlined in the Securities and Exchange Rules 1987.

3.00 ADDITIONAL INFORMATION ON FINANCIAL STATEMENTS

3.01 Responsibility for preparation and presentation of financial statements :

The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of Companies Act, 1994 and as per the provision of Bangladesh Accounting Standard (BAS) the "Frame work for the preparation and presentation of financial statements" issued by the International Accounting Standard Board (IASB).

3.02 Components of financial Statements :

Accordance to the Bangladesh Accounting Standard (BAS) 1 " Preparation of financial statements " and Insurance Act, 1938, the complete set of financial statements includes the following components:

- (a) Balance Sheet as at 31 December 2004
- (b) Life Revenue Account for the year ended 31 December 2004
- (c) Cash Flow Statement for the year ended 31 December 2004
- (d) Statement of Life Insurance Fund as at 31 December 2004
- (e) Classified summary of the assets (Form "AA") in Bangladesh as at 31 December 2004
- (f) Accounting policies and notes to the Financial Statements for the year ended 31 December 2004.

3.03 Compliance with Local Law :

The financial statement have been prepared in accordance with the requirements of the Insurance Act, 1938 and Insurance Rules 1958 and Compliance with requirement of the Securities and Exchange Rules 1987 in Companies Act, 1994 and other relevant local laws and rules .

3.04 Compliance with Bangladesh Accounting Standards (BAS) :

The financial statement have been prepared in compliance with requirements of BASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) .

3.05 Reporting period :

Financial Statement of the Company cover 1 Calendar year from 1st January to 31st December.

3.06 Reporting Currency and Level of Precision :

The figures in the financial statements represent Bangladeshi Taka currency, which have been rounded off to the nearest taka except where indicate otherwise.

3.07 Comparative Information :

Comparative information have been disclosed in respect of the year ended 31 December 2004 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

3.08 Taxation :

Provision for Income Tax has been made according with the fourth schedule of the " Income Tax Ordinance -1984".

4.00 SHARE CAPITAL :		31-Dec-04	31 Dec. 2003
		<u>Taka</u>	<u>Taka</u>
4.01	Authorised 2,000,000 ordinary shares of Tk 100 each	200,000,000	200,000,000
4.02	Issued, subscribed & paid up capital 300,000 ordinary shares of Tk 100 each issued in cash to sponsors.	30,000,000	30,000,000

4.03 Classification of shareholding position of the Company at 31 December 2004 was as follows:

<u>Holding of shares</u>	<u>Number of holders</u>		<u>Percentage of total holdings</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Less than 10,000	1	1	1.66	1.66
10,000 to 20,000	5	5	26.67	26.67
20,001 to 30,000	5	5	41.67	41.67
30,001 to 40,000	1	1	13.33	13.33
40,001 to 50,000	1	1	16.67	16.67
	<u>13</u>	<u>13</u>	<u>100.00</u>	<u>100.00</u>

5.00 BALANCE OF OPENING LIFE FUND-RESTATED Tk. 27,955,477
(for change in accounting policy)

	<u>Taka</u>
Balance as on 31 December 2003	28,461,375
Add: Lease rent paid up to 2003	4,234,987
	<u>32,696,362</u>
Less: Accumulated depreciation up to 2003	2,867,340
	<u>29,829,022</u>
Less: Finance Expenses (Lease Interest) up to 2003	1,873,545
Re-stated opening balance as on 1 January 2004	<u><u>27,955,477</u></u>

6.00 LIFE INSURANCE FUND:	Tk. 73,476,293	2004	2003
		<u>December</u>	<u>December</u>
		<u>Taka</u>	<u>Taka</u>

This consists of the accumulated balance of revenue surplus up to 31 December 2004 as below:

Balance as on 1 January shown as restated balance as per note no.5	27,955,477	2,360,836
Add: Surplus of Life Revenue Account during the year	45,520,816	26,100,539
Closing Balance	<u><u>73,476,293</u></u>	<u><u>28,461,375</u></u>

7.00 AMOUNT DUE TO OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS Tk. 125,108

This represents amount payable to Munich Re-insurance company, Germany on account of Re-insurance premium as under:

Balance as on 1 January	429,150	167,361
Add: Provision for the year	172,467	687,920
	<u>601,617</u>	<u>855,281</u>
Less: Payment made during the year	476,509	426,131
Closing Balance	<u><u>125,108</u></u>	<u><u>429,150</u></u>

**8.00 ESTIMATED LIABILITIES IN RESPECT OF
OUTSTANDING CLAIMS, WHETHER DUE OR INTIMATED : TK. 8,146,090**

The amount consists of :

Claim- Death ILP	2,715,590	2,119,255
Claim- Death SB	593,500	270,400
	3,309,090	2,389,655
Claim on Survival Benefit ILP	4,837,000	585,175
Closing Balance	8,146,090	2,974,830

9.00 LOAN FROM SPONSORS/DIRECTORS - : TK. 5,763,000

Balance as on 1 January

Less: Adjustment made during the year

Add: Received during the year

Less: Payment made during the year

Closing Balance

Balance as on 1 January	10,000,000	7,673,137
Less: Adjustment made during the year	-	337
	10,000,000	7,672,800
Add: Received during the year	-	2,327,200
	10,000,000	10,000,000
Less: Payment made during the year	4,237,000	-
Closing Balance	5,763,000	10,000,000

This represents interest free temporary loan taken from Sponsors/Directors.

10.00 SUNDRY CREDITORS : Tk. 10,678,501

Particulars

Utilities
Telephone & Fax
Office Rent
Commission
Production Bonus
Development Performance Bonus
Renewal Bonus
Annual Development Conference
Papers & periodicals
Auditors' fees
Tax deducted at source
Consultancy & professional charges
VAT on Directors fees
Salary (Staff)
Business Development Expenses
Postage
Printing & stationery
Income Tax
Travelling & conveyance
Salary (Dev)

Closing Balance

	2004 December Taka	2003 December Taka
Utilities	34,809	30,493
Telephone & Fax	8,903	20,641
Office Rent	149,351	264,808
Commission	6,368,164	8,857,678
Production Bonus	1,036,837	2,000,000
Development Performance Bonus	-	1,700,000
Renewal Bonus	250,000	350,000
Annual Development Conference	200,000	151,755
Papers & periodicals	453	2,266
Auditors' fees	100,000	100,000
Tax deducted at source	251,549	-
Consultancy & professional charges	150,000	-
VAT on Directors fees	7,500	750
Salary (Staff)	147,550	619,755
Business Development Expenses	119,642	58,237
Postage	-	26,808
Printing & stationery	-	-
Income Tax	100,000	-
Travelling & conveyance	-	9,504
Salary (Dev)	1,753,743	1,981,349
Closing Balance	10,678,501	16,174,044

The above amount has been provided against expenses during the year.

		2004 December <u>Taka</u>	2003 December <u>Taka</u>
11.00 LEASE FINANCE	Tk. 10,612,706		
The above balance has been arrived as under:			
(a) Opening Balance		251,000	409,200
Less: Amount paid during the year		158,400	158,200
Closing Balance		<u>92,600</u>	<u>251,000</u>
(b) Principal Lease Amount up to 2003	7,633,500		
Less: Payment made up to 2003	2,672,310		
Balance as at 31 December 2003		4,961,190	
Add: Addition during the year		8,275,000	
		<u>13,236,190</u>	
Less: Payment made during the year		2,716,084	
Balance as at 31 December 2004		<u>10,520,106</u>	
Total lease finance (obligation) [a + b]		<u>10,612,706</u>	
12.00 FINANCE EXPENSES PAYABLE (Lease Interest)	Tk. 2,879,602		
Interest payable up to 31 December 2003	1,395,797		
Less: Payment made up to 2003	756,267		
		639,530	
Add: Payable during the year		2,240,072	
Closing Balance		<u>2,879,602</u>	
13.00 PREMIUM DEPOSITS:	TK.	<u>447,539</u>	<u>798,232</u>
This represents amount received against Provisional Receipt (PR) for which risks have not been initiated and such amount will be adjusted upon initiation of risk and issuance of policy document in due course.			
14.00 INVESTMENT - at cost :	Tk. 17,000,000		
As at 1st January		4,000,000	4,000,000
Add: Made during the year		13,000,000	
Closing Balance		<u>17,000,000</u>	<u>4,000,000</u>
The amount represents the investment made in 3 years' National Investment Bond which is held with Bangladesh Bank including statutory deposit Tk.40,00,000/ under section 7of Insurance Act, 1938.			
15.00 INTEREST, DIVIDENDS & RENTS ACCRUING BUT NOT DUE :	TK. 2,364,471		
Opening as on 1st January		557,377	1,187,276
Addition : During the year		1,815,774	396,517
		<u>2,373,151</u>	<u>1,583,793</u>
Less: Realised during the year		8,680	1,026,416
Closing Balance		<u>2,364,471</u>	<u>557,377</u>
16.00 AMOUNT DUE FROM OTHER PERSONS OR BODIES CARRYING ON INSURANCE BUSINESS :	TK. 1,706,575		
This represents amount receivable from Munich Re-insurance company, Germany on account of Re-insurance commission as under:			
Balance as on 1 January		-	79,066
Add: Re-insurance claim		1,706,575	89,698
		<u>1,706,575</u>	<u>168,764</u>
Less : Adjustment made during the year		-	168,764
Closing Balance		<u>1,706,575</u>	<u>-</u>

		2004 December <u>Taka</u>	2003 December <u>Taka</u>
17.00 ADVANCES & DEPOSITS :	TK.	7,271,037	
Advances			
Office rent		1,416,582	1,431,442
Staff telephone		385,134	417,596
Travelling		431,272	607,858
Allowance and commission		-	1,021,126
Salary(staff)		138,643	262,583
Salary (Development)		1,405,301	-
Advance Commission		-	16,000
Advance Tax		428,982	428,982
Lease Rent		131,497	131,497
Advance for policy stamp		-	500,000
Motor cycle loan		2,183,847	1,837,111
Bi-cycle loan		170,059	82,504
Other expenses		-	66,436
		6,691,317	6,803,135
Deposits			
Security deposit - T & T		59,800	59,800
Lease deposit		519,920	315,730
		579,720	375,530
Closing Balance		7,271,037	7,178,665
18.00 AGENTS' BALANCE :	TK.	1,550,446	
Opening balance at 1 January		1,550,446	1,636,454
Add: Addition during the year		-	-
		1,550,446	1,636,454
Less : Adjustment made during the year		-	86,008
Closing Balance		1,550,446	1,550,446
19.00 OUTSTANDING PREMIUM :	TK.	21,654,190	
Opening balance at 1 January		16,658,424	9,371,598
Add: Accrued during the year		20,544,888	16,658,424
		37,203,312	26,030,022
Less: Realised during the year		15,549,122	9,371,598
Closing Balance		21,654,190	16,658,424
20.00 SUNDRY DEBTORS (SB)	Tk.	437,125	
This balance brought forward from previous year of Sujana Bima Division			
21.00 PRELIMINARY EXPENSES :	TK.	-	
Balance as on 1 January		28,644	57,290
Less: Written off during the period		28,644	28,646
Closing Balance		-	28,644
22.00 PRE-OPERATION EXPENSES :	TK.	-	
Balance as on 1 January		77,106	154,210
Less: Amortised during the year		77,106	77,104
Closing Balance		-	77,106

23.00 FIXED ASSETS (at cost less accumulated depreciation)

Tk. 23,238,616

Sl.No.	Particulars	C O S T				D E P R E C I A T I O N					Written Down value at 31 December 2004	Written Down value at 31 December 2003
		Balance as on 1st January 2004	Addition during the year	Deletion during the year	Balance as at 31 December 2004	Balance as at 1 January 2004	Rate of Depreciation	Charge during the year	Deletion during the year	Balance as at 31 December 2004		
		Taka	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka
1	Furniture & fixtures	6,463,826	1,530,479	-	7,994,305	2,205,742	15%	1,084,360	-	3,290,102	4,704,203	4,258,084
2	Electrical equipments	341,761	215,234	-	556,995	143,326	20%	89,876	-	233,202	323,793	198,435
3	Office renovation	2,200,316	1,148,571	-	3,348,887	1,691,895	20%	554,920	-	2,246,815	1,102,072	508,421
4	Computer	999,652	327,357	-	1,327,009	442,075	20%	232,666	-	674,741	652,268	557,577
5	Office equipments	1,212,040	442,525	-	1,654,565	522,893	20%	286,661	-	809,554	845,012	689,147
6	Motor vehicles *	11,687,534	11,183,520	-	22,871,054	3,803,927	20%	3,455,859	-	7,259,786	15,611,268	234,147
		22,905,129	14,847,686	-	37,752,815	8,809,858		5,704,341	-	14,514,199	23,238,616	6,445,811

* Note : Bangladesh Accounting Standard which relates to Lease was adopted during the year. Consequently opening cost of motor vehicles and relevant opening balance of accumulated depreciation (as on 31.12.2003) have been restated as per BAS-17 as follows:

(a) Opening balance of Cost of Motor Vehicle:

Balance as at 31.12.2003	1,170,734
Add. Re-stated cost value of Motor Vehicles up to 2003 under Lease	
Finance	<u>10,516,800</u>
Tk.	<u><u>11,687,534</u></u>

(b) Opening balance of Accumulated Depreciation:

Balance as at 31.12.2003	936,587
Add. Re-stated accumulated depreciation up to 2003	<u>2,867,340</u>
Tk.	<u><u>3,803,927</u></u>

24.00 CASH & CASH EQUIVALENT :	TK.	66,399,548	2004	2003
			December	December
The above amount is made up as follows :			<u>Taka</u>	<u>Taka</u>
i) FDR,s			15,000,000	12,000,000
ii) Current Account & STD account			31,753,666	26,549,735
iii) Cash in Hand			2,921,356	3,519,802
iv) Cash in Transit			16,724,526	9,669,056
Closing Balance			66,399,548	51,738,593

- i) FDR,s
Tk. 1 crore out of Tk. 1.50 crore has been deposited as FDR,s account with BRAC Bank Ltd for two years term and rate of interest 9.25% and remaining amount with Prime Bank Ltd for three months term and rate of interest 8.00%. These will be automatically renewed until further advice.
- ii) Current and STD Accounts
The above balance has been represented in CD-BM Account, CD-Non operative Account & STD account for premium collection and CD-disbursement Account with various branches of Janata Bank, RKUB, BKB, PBL, UBL, BRAC Bank Limited, Prime Bank Limited, NBL, City Bank Limited, Shahjalal Bank Limited, One Bank Limited, Southeast Bank Limited and Agrani Bank Limited situated at Dhaka and outside of Dhaka.
- iii) Cash in Hand
This amount represents cash in hand of company's respective service cells of individual life, sujan bima division and head office during the year.
- iv) Cash in Transit
The above amount has been collected through bank memorandum accounts (BM Account) with various branches of Janata bank & RKUB and CD-Non operative collection Account with BKB. But respective branches didn't send their advice copy (BM yellow copy and Bank statement) against this deposited amount till 31 December 2004.

25.00 FORMS, STAMPS AND STATIONERY IN HAND:	TK.	1,317,131		
Opening balance at 1 January			1,243,076	334,375
Add: Accrued during the year			1,317,131	1,810,895
			<u>2,560,207</u>	<u>2,145,270</u>
Less: Issued during the year			1,243,076	902,194
Closing Balance			1,317,131	1,243,076

Above balance has been represented of stock of stationery & forms and policy stamp in hand during the year.

26.00 EXPENSES OF MANAGEMENT :	Tk.	144,463,565		
Commissions:				
(a) Commission to Insurance Agents (Less that on Re-insurance)			68,532,275	50,516,555
(b) Allowance & Commission (other than commission included in sub-item "a" above)			29,569,420	24,299,096
			<u>98,101,695</u>	<u>74,815,651</u>
Salaries and allowances (other than to agents and those contained in the allowance and commission)			20,005,888	13,852,023
Travelling & conveyance			802,461	433,605
Director fee			339,250	217,500
Auditors fee			100,000	125,000

28.00 Lease Obligation

Payment not than one year	5,034,020
Later than one year and not later than five years	8,365,688

29.00 Number Of Employees :

According to schedule XI part-11 (Note 3(P))(VI)5
Of Companies Act 1994 the number of employees are :

	2004	2003
I)Number of Employees drawing salary above Tk. 3000 per month	204	170
II)Number of Employees drawing salary below Tk. 3000 per month	391	180

30.00 Payments/Requisite to Directors /Officers

The aggregate Amounts paid / provided during the year in respect of directors and officers of the company as defined in the Securities and Exchange Rule 1987 are enclosed below :

	Amount in taka 2004		Amount in taka 2003	
	Directors	Officers	Directors	Officers
Board Meeting Fee	339,250	-	217,500	-
Basic Salary	-	11,329,642	-	8,311,213
House Rent	-	5,664,821	-	4,155,607
Other Allowance and perquisite	-	2,363,755	-	1,385,203
	339,250	19,358,218	217,500	13,852,023

No amount of money was spent by the company for compensating any member of the Board for special services rendered except as stated above.

31.00Capital Expenditure Commitment :

There was no capital expenditure commitment authorised by the Board as on December 31,2004

32.00Contingent liability :

There was no claim against the company not acknowledged as on December 31,2004