
HALLMARK INSURANCE COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD
ENDED SEPTEMBER 30, 2015

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COMPANY INFORMATION

Chairman

Muhammad Farrukh Bashir

Chief Executive

Mr. Muhammad Adil

Directors

Muhammad Adil
Muhammad Farrukh Bashir
Saad Aftab Shamsi
Haris A. Shamsi
Ahtesham Ashraf
Naveed Hamid
S. Muhammad Imran

Audit Committee

Muhammad Farrukh Bashir	Chairman & Member
Naveed Hamid	Member
Haris A. Shamsi	Member

Legal Advisor

Sayeed A. Sheikh & Co., Advocates

External Auditors

M/s. Muniff Ziauddin & Co.
Chartered Accountants

Registrar

M/s. F. D. Registrar Services (SMC-Private) Limited

Bankers

Habib Bank Limited
National Bank of Pakistan
Muslim Commercial Bank Limited

OFFICE OF THE COMPANY

Registered Office

Suite # 1001, Uni Centre, 10th Floor,
I.I. Chundrigar Road,
Karachi, Pakistan.
Phone: 021-32414419, 37011105
Fax: 021-32416288
Email: hallmark@bizcorei.com

DIRECTORS' REVIEW

The Directors of the Company are pleased to present before you the unaudited financial statements for the nine months period ended September 30, 2015.

The Company has continued to be dormant since many years but for the profit after tax for the nine months was Rs. 185,000. The profit for the year represents the return from investment property. However, the Company has not underwritten any business during the period under review.

The Insurance Ordinance, 2000 requires that paid-up capital of the Company should be Rs. 300.00 million up to the year 2012. Due to suspended operations, continued bad law and order condition in our city the management has been unable to fulfill this requirement. In this connection a winding up letter has been issued by the Securities Exchange Commission of Pakistan and the management has taken up necessary steps to resolve the issues. The management is doing its best efforts to increase the Authorized and Paid up Capital and to revive its business activities.

The Company is in the process to arrange funds to fulfill minimum capital requirement and trying to comply with the requirements of fit and proper criteria on revival of the Company, and to induct qualified, experience and service oriented staff trained locally and abroad, that shall strengthen the position of the Company to underwrite all classes of the general and Takaful business.

The Company is on hold, and waiting for acceptance from SECP, CRO division of certain compliances made by the Company in relation to queries raised by them regarding election of Directors. On receipt of responses from the SECP, CRO and Insurance Division, the Company may resume its revival process.

The Directors of your Company are willing to make the Company a reputable business Organization. We are also planning to run its activities as of an alternative business in future.

Acknowledgements

Your Directors are grateful to all government institutions, our overseas re-insurers, and Company's valued clients for their valuable support (where ever applicable) and cooperation throughout the quarter.

On behalf of the Board of Directors,

Muhammad Adil
Chief Executive Officer

Karachi: November 03, 2015

HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2015

		(Un-audited) September 30, 2015	(Audited) December 31, 2014
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized Share Capital			
1,000,000 Ordinary Shares of Rs. 10/- each		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid-up capital	6	<u>5,000,000</u>	<u>5,000,000</u>
Accumulated loss		<u>(4,568,529)</u>	<u>(4,753,529)</u>
		<u>431,471</u>	<u>246,471</u>
Creditors And Accruals			
Amount due to other insurers / reinsurers		<u>1,448,238</u>	<u>1,448,238</u>
Accrued expenses		<u>700,216</u>	<u>700,216</u>
Taxation - provision less payments		<u>72,248</u>	<u>72,248</u>
		<u>2,220,702</u>	<u>2,220,702</u>
Other Liabilities			
Sundry creditors		<u>1,230,000</u>	<u>500,000</u>
Unclaimed dividends	7	<u>23,150</u>	<u>23,150</u>
		<u>1,253,150</u>	<u>523,150</u>
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		<u>3,905,323</u>	<u>2,990,323</u>
ASSETS			
Cash and Bank Deposits			
Cash and other equivalent		<u>820,928</u>	<u>635,928</u>
Current and other accounts	9	<u>26,445</u>	<u>26,445</u>
		<u>847,373</u>	<u>662,373</u>
Current Assets - Other			
Sundry receivables		<u>591,106</u>	<u>591,106</u>
		<u>591,106</u>	<u>591,106</u>
Fixed Assets			
Tangible and Intangible			
Furniture and fixtures and office equipment		<u>936,844</u>	<u>936,844</u>
Computer Software		<u>730,000</u>	<u>-</u>
Investment property		<u>800,000</u>	<u>800,000</u>
		<u>2,466,844</u>	<u>1,736,844</u>
TOTAL ASSETS		<u>3,905,323</u>	<u>2,990,323</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil
Chief Executive

Naveed Hamid
Director

Saad A. Shamsi
Director

Muhammad Farrukh Bashir
Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

Three months period ended September 30, 2015					
Fire and property	Marine, aviation and transport	Motor	Miscellaneous	September 30, 2015 Aggregate	September 30, 2014 Aggregate
Revenue account					
----- (Rupees) -----					
Net premium revenue	-	-	-	-	-
Net claims	-	-	-	-	-
Management expenses	-	-	-	-	-
Net commission	-	-	-	-	-
Underwriting result	-	-	-	-	-
Other income				75,000	75,000
General and administration expenses				(15,000)	(15,000)
Loss before taxation				60,000	60,000
Taxation - net				-	-
Profit / (Loss) after taxation				60,000	60,000
Profit/(Loss) per share				0.12	0.12

Nine months period ended September 30, 2015					
Fire and property	Marine, aviation and transport	Motor	Miscellaneous	September 30, 2015 Aggregate	September 30, 2014 Aggregate
Revenue account					
----- (Rupees) -----					
Net premium revenue	-	-	-	-	-
Net claims	-	-	-	-	-
Management expenses	-	-	-	-	-
Net commission	-	-	-	-	-
Underwriting result	-	-	-	-	-
Other Income (Note-11)				225,000	225,000
General and administration expenses				(40,000)	(40,000)
(Loss) before taxation				185,000	185,000
Taxation - net				-	-
Profit after taxation				185,000	185,000
Profit and loss appropriation account					
Balance at the commencement of the period				(4,753,529)	(4,909,337)
Profit after taxation for the period				185,000	185,000
Accumulated loss at the end of the period				(4,568,529)	(4,724,337)
Profit per share				0.37	0.37

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil Naveed Hamid Saad A. Shamsi Muhammad Farrukh Bashir
Chief Executive Director Director Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Three months period ended		Nine months period ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	<hr/> <i>(Rupees)</i> <hr/>			
(Loss)/Profit after taxation	60,000	60,000	185,000	185,000
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	60,000	60,000	185,000	185,000

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil Naveed Hamid Saad A. Shamsi Muhammad Farrukh Bashir
Chief Executive Director Director Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	(Rupees)	
OPERATING CASH FLOW		
a) Underwriting activities		
Premiums received	-	-
Reinsurance premiums paid	-	-
Claims paid	-	-
Reinsurance and other recoveries received	-	-
Commission paid	-	-
Commission received	-	-
Other underwriting receipts	-	-
Net cash flow from underwriting activities	-	-
b) Other operating activities		
Income tax paid	-	-
General management expenses paid	(40,000)	(40,000)
Other operating receipts	-	-
Other operating payments	-	-
Net cash (outflow) from other operating activities	(40,000)	(40,000)
Total cash (outflow) from all operating activities	(40,000)	(40,000)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Profit / return received	225,000	225,000
Proceeds from disposal of fixed assets	-	-
Fixed capital expenditure	-	-
Total cash flow from investing activities	225,000	225,000
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash inflow / (outflow) from all activities	185,000	185,000
Cash and cash equivalent at the beginning of the period	662,373	477,373
Cash and cash equivalent at the end of the period	847,373	662,373
RECONCILIATION TO PROFIT AND LOSS ACCOUNT		
Operating cash flow	185,000	185,000
Depreciation expenses	-	-
Profit / (Loss) on disposal of fixed assets	-	-
Increase / (decrease) in assets other than cash	-	-
(Increase) / decrease in liabilities	-	-
Finance investment income	-	-
Loss after taxation as per profit and loss account	185,000	185,000

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil Naveed Hamid Saad A. Shamsi Muhammad Farrukh Bashir
Chief Executive Director Director Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

	Share Capital	Capital Reserves		Retained earnings	Total
	Issued, subscribed and paid-up	Reserved for issue of bonus shares	Reserved exceptional losses		
	(Rupees)				
Balance as at Jan 01, 2014	5,000,000	-	-	(4,909,337)	90,663
Profit for the nine months ended on September 30, 2014	-	-	-	185,000	185,000
Balance as at Sep 30, 2014	5,000,000	-	-	(4,724,337)	275,663
Balance as at Jan 01, 2015	5,000,000	-	-	(4,753,529)	246,471
Profit for the nine months ended on September 30, 2015	-	-	-	185,000	185,000
Balance as at Sep 30, 2015	5,000,000	-	-	(4,568,529)	431,471

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil Naveed Hamid Saad A. Shamsi Muhammad Farrukh Bashir
Chief Executive Director Director Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PREMIUMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2015									
	(Rupees)									
	Unearned premium reserve	Premium written	Opening	Closing	Premium earned	Reinsurance ceded	Prepaid reinsurance premium	Reinsurance expenses	Net premium revenue	Sep 30, 2014
Direct and facultative										
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-

Class	Nine months period ended September 30, 2015									
	(Rupees)									
	Unearned premium reserve	Premium written	Opening	Closing	Premium earned	Reinsurance ceded	Prepaid reinsurance premium	Reinsurance expenses	Net premium revenue	Sep 30, 2014
Direct and facultative										
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil Chief Executive	Naveed Hamid Director	Muhammad Farrukh Bashir Director
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Muhammad Adil Chief Executive	Naveed Hamid Director	Muhammad Farrukh Bashir Director
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The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Class	Nine months period ended September 30, 2015									
	(Rupees)									
	Outstanding claims including IBNR	Claims paid	Reinsurance and other recoveries received	Reinsurance and other recoveries received in respect of outstanding claims	Reinsurance and other recoveries revenue	Net claims expense	Sep 30, 2014	Sep 30, 2013		
Direct and facultative										
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-

Class	Three months period ended September 30, 2015									
	(Rupees)									
	Outstanding claims including IBNR	Claims paid	Reinsurance and other recoveries received	Reinsurance and other recoveries received in respect of outstanding claims	Reinsurance and other recoveries revenue	Net claims expense	Sep 30, 2015	Sep 30, 2014		
Direct and facultative										
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-

Business underwritten inside Pakistan

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CLAIMS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF EXPENSES (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

Business underwritten inside Pakistan

Class	Three months period ended September 30, 2015					Nine months period ended September 30, 2015				
	Commission paid or payable	Deferred commission Opening	Closing	Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense Sep 30, 2014	Sep 30, 2013	
Direct and facultative										
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-

Class	
Direct and facultative	
1. Fire and property damage	-
2. Marine, aviation and transport	-
3. Motor	-
4. Miscellaneous	-
Grand total	-

* Commission from reinsurers is arrived at after taking the impact of opening and closing unearned commission.

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil
Chief Executive

Naveed Hamid
Director

Saad A. Shamsi
Director

Muhammad Farrukh Bashir
Director

HALLMARK INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

Income from trading investments

Gain on sale of trading investments - net	-	-	-	-
Dividend income	-	-	-	-
Unrealised (loss) / gain on re-measurement of securities to fair value	-	-	-	-

Income from non-trading investments

Held to maturity

Return on Government Securities	-	-	-	-
Return on other fixed income securities and deposits - Term finance certificates	-	-	-	-

Available-for-sale

Dividend income	-	-	-	-
Gain on sale of non-trading investments - net	-	-	-	-
Provision for impairment in value of available-for-sale securities - net	-	-	-	-
Investments related expenses	-	-	-	-

Net investments income

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Muhammad Adil
Chief Executive

Naveed Hamid
Director

Saad A. Shamsi
Director

Muhammad Farrukh Bashir
Director

HALLMARK INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

1 LEGAL STATUS AND BUSINESS ACTIVITIES OF THE COMPANY

Hallmark Insurance Company Limited was incorporated as a Public Limited Company on 31 October 1981 and the shares of the Company are quoted, currently at defaulter desk of the Karachi Stock Exchange.

The Company was engaged in general insurance business comprising of fire, marine, motor, engineering etc. With the promulgation of the Insurance Ordinance 2000, the requirement of minimum paid up capital for an insurer to operate as an insurance company has been enhanced to Rs. 300 million. The Company does not find itself in a position to increase its paid up capital to the required minimum level and has ceased to underwrite insurance business w.e.f. January 01, 2003. Adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary, since the company is no more a going concern, have not been made in this condensed interim financial information as the management is making all efforts to have the required capital and run the business as a going concern. A winding up letter Dated: 02/04/2013 has been issued by the Securities Exchange Commission of Pakistan and the management has taken up necessary steps to resolve the issues in the stipulated time, hence the management is confident that they will do full efforts to revive the Company.

Due to suspended operations, register of members and fixed assets could not be timely updated.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the nine months period ended September 30, 2015 is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim financial information has, however, been limited based on a format prescribed by the Securities and Exchange Commission of Pakistan in its Circular No. 7 of 2003 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and this condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2014.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under historical cost convention.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing this condensed interim financial information, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2014.

5 SIGNIFICANT ACCOUNTING POLICIES AND RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2014. The financial and insurance risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2014.

HALLMARK INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

(Un-audited)	(Audited)
September 30,	December 31,
2015	2014
Rupees	Rupees

6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

500,000 Ordinary Shares of Rs. 10/- each	<u>5,000,000</u>	<u>5,000,000</u>
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7 UNCLAIMED DIVIDEND

For the year ended 31-12-98	<u>5,150</u>	<u>5,150</u>
For the year ended 31-12-95	<u>18,000</u>	<u>18,000</u>
	<u>23,150</u>	<u>23,150</u>

8 CONTINGENCIES AND COMMITMENT

8.1 Contingencies

Due to suspended business operations, the Company could not maintain proper secretarial records as required by the Companies Ordinance 1984, and under the Insurance Ordinance, 2002 and listing regulations of Karachi Stock Exchange (KSE). In the absence of the same the Company might be liable to certain penalties which could not be quantified till the signing date.

9 CURRENT AND OTHER ACCOUNTS

Cash at bank - operative accounts	<u>19,484</u>	<u>19,484</u>
Cash at bank - inoperative accounts	<u>6,961</u>	<u>6,961</u>
	<u>26,445</u>	<u>26,445</u>

10 FIXED ASSETS

Tangible and Intangible		
Opening book value	<u>936,844</u>	<u>3,546,278</u>
Additions during the period / year		
- Software	<u>730,000</u>	-
Disposal during the period / year		
- Software	-	(2,450,000)
- Office equipment	-	(159,434)
	<u>1,666,844</u>	<u>936,844</u>
Less: Depreciation for the period / year	-	-
Closing book value	<u>1,666,844</u>	<u>936,844</u>

The Company is dormant. Therefore, the management has resolved not to charge depreciation for the period ended September 30, 2015.

HALLMARK INSURANCE COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

11 OTHER INCOME

Gain on sale of fixed assets	-	-
Income from agricultural land	225,000	300,000
	<u>225,000</u>	<u>300,000</u>

12 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in accordance with a resolution of the Board of Directors on _____.

13 GENERAL

Figures in the condensed interim financial information has been rounded off to the nearest rupees.

Muhammad Adil
Chief Executive

Naveed Hamid
Director

Saad A. Shamsi
Director

Muhammad Farrukh Bashir
Director