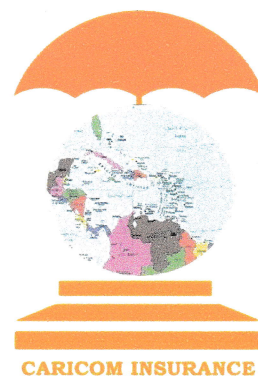




# **CARICOM GENERAL INSURANCE COMPANY, INC.**



## **ANNUAL REPORT 2018**



**NIGEL HINDS FINANCIAL SERVICES**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Caricom General Insurance Company Inc.

**Opinion**

We have audited the financial statements of **Caricom General Insurance Company Inc.**, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Caricom General Insurance Company Inc.**, as at December 31, 2018, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium Sized Entities and the Companies Act 1991.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

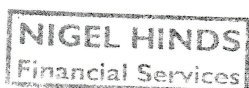
Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

  
Clifton Nigel Hinds, (CPA)

Date: March 29, 2019



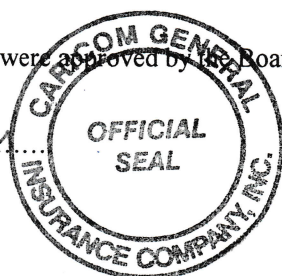
## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

		2018	Restated in 2018
		2017	
	NOTES	\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	280,140,021	281,575,667
<b>Investments</b>			
Shares & Bond - Associated Company	14 (a)	173,009,713	173,009,713
"Loans and receivables"	14 (b)	19,772,917	19,867,151
<b>Statutory Funds</b>	16	80,185,113	76,446,946
		<b>272,967,743</b>	<b>269,323,810</b>
<b>Current assets</b>			
Accounts receivable and prepayments	17	29,786,113	20,695,031
Deferred taxation		74,163,457	74,163,457
Advance Taxation		925,806	
Tax Refundable		4,504,020	4,504,020
Cash at banks and in hand	18	83,533,962	85,839,570
		<b>192,913,358</b>	<b>185,202,078</b>
		<b>746,021,123</b>	<b>736,101,555</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	19	550,000,000	550,000,000
Retained earnings	20	21,404,836	21,297,062
Revaluation Reserve	22 (b)	33,800,000	33,800,000
Investment Reserve	22 (a)	57,013,090	38,652,720
		<b>662,217,926</b>	<b>643,749,782</b>
<b>Current liabilities</b>			
Policyholders' Reserves	21	76,641,064	52,795,938
Taxation	13	-	6,753,858
Claims payable	21	-	4,821,396
Accounts payable	23	7,162,132	27,980,580
		<b>83,803,196</b>	<b>92,351,772</b>
		<b>746,021,123</b>	<b>736,101,555</b>

The financial statements were approved by the Board of Directors on March 29, 2019.

Director



Company Secretary

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<b>REVENUE</b>	<b>NOTES</b>	<b>2018</b> <b>\$</b>	<b>2017</b> <b>\$</b>
Insurance premiums	5	148,819,988	176,008,068
Reinsurance premiums	5	(22,159,829)	(23,956,791)
		<u>126,660,159</u>	<u>152,051,277</u>
Investment income	6	1,475,766	3,693,244
Other income	7	16,676,437	6,785,009
		<u>144,812,362</u>	<u>162,529,530</u>
<b>EXPENDITURE</b>			
Claims	8	7,060,103	10,245,098
Commission and sales expenses	9	4,151,745	1,606,084
Management expenses	10	127,787,725	119,096,087
Financial expenses	11	275,392	223,855
Depreciation	12	972,103	1,038,190
		<u>140,247,068</u>	<u>132,209,314</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>4,565,294</b>	<b>30,320,216</b>
Taxation	13	(4,457,520)	(11,394,806)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u><b>107,774</b></u>	<u><b>18,925,409</b></u>



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
	\$	\$
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>		
Cash receipts from policyholders and customers	163,574,031	169,296,692
Reinsurance premiums	(22,159,829)	(23,956,791)
Claims paid	(11,881,500)	(9,514,277)
Cash paid to suppliers and employees	<u>(152,757,918)</u>	<u>(135,623,853)</u>
<b>Cash generated from operations</b>	<b>(23,225,216)</b>	<b>201,771</b>
Other income	12,619,587	5,646,176
Interest and financial expenses	(275,392)	(223,855)
Taxes paid	<u>(12,137,184)</u>	<u>(8,152,083)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>(23,018,205)</u></b>	<b><u>(2,527,991)</u></b>
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>		
Purchase of investment	-	50,000,000
Disposal of fixed assets	463,544	-
Purchase of fixed assets	-	(19,947,770)
Mortgage Loans	94,234	259,029
Bank interest received (net of withholding tax)	4,056,850	1,138,833
Increase in investment reaserve	18,360,370	
Investment income	<u>1,475,766</u>	<u>3,693,244</u>
<b>Net cash provided by/(used in) investing activities</b>	<b><u>24,450,764</u></b>	<b><u>35,143,336</u></b>
<b><i>CASH FLOWS FROM FINANCING ACTIVITIES</i></b>		
Statutory deposits	(3,738,167)	(594,625)
Loan repayment to holding company	-	-
<b>Net cash used in financing activities</b>	<b><u>(3,738,167)</u></b>	<b><u>(594,625)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,305,608)</b>	<b>32,020,720</b>
Cash and cash equivalent at beginning of period	85,839,570	53,818,850
<b>Cash and cash equivalent at end of period</b>	<b><u>83,533,962</u></b>	<b><u>85,839,570</u></b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Share capital \$	Retained earnings \$	General reserves \$	Reserves/Unearned Premiums \$	Total \$
Balance at January 1st 2018	550,000,000	21,297,062	-	125,248,657	696,545,719
Increase In Reserve	-	-	-	-	-
Deposit on Shares	-	-	-	-	-
Surplus for the year after Taxation		107,774		-	107,774
Transfer from reserves	-	-	-	(39,644,732)	(39,644,732)
Balance at December 31st 2017	550,000,000	21,404,836	-	85,603,925	657,008,761

**FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance at January 1st 2017	550,000,000	(21,297,062)	-	125,248,657	696,545,719
Increase In Reserve	-	-	-	-	-
Deposit on Shares	-	-	-	-	-
Surplus for the year after Taxation		107,774	-	-	107,774
Transfer from reserves	-	-	-	(22,159,829)	(22,159,829)
Balance at December 31st 2016	550,000,000	(21,189,288)	-	103,088,828	674,493,664