



**CARICOM
GENERAL
INSURANCE
COMPANY,
INC.**



**ANNUAL
REPORT
2019**

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, 2019, 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, 2019, 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.

.....*N. Hinds*.....
Clifton Nigel Hinds, (CPA)



Date: *June 4, 2020*

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

		2019	Restated 2018
	NOTES	\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	12	289,779,865	280,140,021
Investments			
Shares & Bond - Associated Company	14 (a)	173,009,713	173,009,713
"Loans and receivables"	14 (b)	-	19,772,917
Statutory Funds	16	85,991,963	80,185,113
		<u>259,001,676</u>	<u>272,967,743</u>
Current assets			
Accounts receivable and prepayments	17	27,484,654	29,786,113
Deferred taxation		72,297,148	74,163,457
Advance Taxation		-	908,181
Tax Refundable		4,504,020	4,504,020
Cash at banks, Non-Bank and in hand	18	152,049,710	83,533,962
		<u>256,335,532</u>	<u>192,895,733</u>
		<u>805,117,073</u>	<u>746,003,497</u>

EQUITY AND LIABILITIES

Capital and reserves

Share capital	19	550,000,000	550,000,000
Retained earnings	20	22,130,224	21,387,210
Revaluation Reserve	22 (b)	33,800,000	33,800,000
		<u>605,930,224</u>	<u>605,187,210</u>

Non Current liabilities

Policyholders' Reserves	21 & 22 (a)	90,432,771	76,641,064
Reinsurance Reinstatement Reserve	22 (a)	96,188,256	57,013,090

Current liabilities

Taxation	13	4,611,180	-
Accounts payable	23	7,954,641	7,162,132
		<u>199,186,848</u>	<u>140,816,286</u>

805,117,073 746,003,497

The financial statements were approved by the Board of Directors on June 2, 2020.

Santa Signin
Director



Gashine Sarker
Company Secretary

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUE	NOTES	Restated	
		2019 \$	2018 \$
Insurance premiums	5	190,977,501	148,819,988
Reinsurance premiums	5	(24,281,761)	(22,159,829)
		<u>166,695,740</u>	<u>126,660,159</u>
Investment income	6	5,175,291	9,434,045
Other income	7	6,530,240	8,718,157
		<u>178,401,271</u>	<u>144,812,361</u>
EXPENDITURE			
Claims	8	26,491,056	7,060,103
Commission and sales expenses	9	6,078,705	4,151,745
Management expenses	10 (a)	136,232,189	127,787,725
Deferred Taxation	10 (b)	1,866,309	-
Financial expenses	11	341,590	275,392
Depreciation	12	1,129,047	972,103
		<u>172,138,896</u>	<u>140,247,068</u>
PROFIT/(LOSS) BEFORE TAXATION		6,262,375	4,565,293
Taxation	13	(5,519,361)	(4,475,145)
PROFIT/(LOSS) AFTER TAXATION		<u>743,014</u>	<u>90,148</u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	\$	\$
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Cash receipts from policyholders and customers	207,070,667	163,574,031
Reinsurance premiums	(24,281,761)	(22,159,829)
Claims paid	(26,491,056)	(11,881,500)
Cash paid to suppliers and employees	<u>(141,518,385)</u>	<u>(152,757,918)</u>
Cash generated from operations	14,779,464	(23,225,216)
Other income	3,067,329	12,619,587
Interest and financial expenses	(341,590)	(275,392)
Taxes paid	<u>-</u>	<u>(12,137,184)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>17,505,203</u>	<u>(23,018,205)</u>
		-
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Purchase of investment		-
Disposal of fixed assets	18,951,609	463,544
Purchase of fixed assets	(29,720,498)	-
Mortgage Loans	19,772,917	94,234
Bank interest received (net of withholding tax)	3,462,911	4,056,850
Increase in investment reasure	39,175,166	18,360,370
Investment income	<u>5,175,291</u>	<u>1,475,766</u>
Net cash provided by/(used in) investing activities	<u>56,817,396</u>	<u>24,450,764</u>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Statutory deposits	(5,806,850)	(3,738,167)
Loan repayment to holding company	<u>-</u>	<u>-</u>
Net cash used in financing activities	<u>(5,806,850)</u>	<u>(3,738,167)</u>
Net increase in cash and cash equivalents	68,515,748	(2,305,608)
Cash and cash equivalent at beginning of period	83,533,962	85,839,570
Cash and cash equivalent at end of period	<u>152,049,710</u>	<u>83,533,962</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019**

Statement of Changes in Equity for Year 2019	Share Capital \$	Retained Earnings \$	Revaluation Reserves \$	Total \$
Balance at January 1st 2019	550,000,000	21,387,210	33,800,000	605,187,210
Increase In Reserve	-	-	-	-
Deposit on Shares	-	-	-	-
Surplus for the year after Taxation		743,014		743,014
Transfer from reserves	-	-	-	-
Balance at December 31st 2019	550,000,000	22,130,224	33,800,000	- 605,930,224

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

Restated
2018

Statement of Changes in Equity for Year 2018	Share Capital \$	Retained Earnings \$	Revaluation Reserves \$	Total \$
Balance at January 1st 2018	550,000,000	21,297,062	33,800,000	605,097,062
Increase In Reserve	-	-	-	-
Deposit on Shares	-	-	-	-
Surplus for the year after Taxation		90,148		90,148
Transfer from reserves	-	-	-	-
Balance at December 31st 2018	550,000,000	21,387,210	33,800,000	605,187,210