



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



## **ANNUAL REPORT 2020**



**NIGEL HINDS FINANCIAL SERVICES**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S 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, 2020, 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, 2020, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and the Guyana Companies Act 1991 (amended in 1995).

**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: Apr-12-2021

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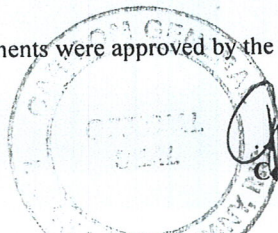
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## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		2020	Restated 2019
	NOTES	\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	234,528,199	235,506,948
Real Estate	12	54,272,917	54,272,917
Deferred taxation		70,791,197	72,297,148
		<u>359,592,313</u>	<u>362,077,013</u>
<b>Investments</b>			
Shares & Bond - Associated Company	14 (a)	173,009,713	173,009,713
Statutory Funds	16	87,899,443	85,991,963
		<u>260,909,156</u>	<u>259,001,676</u>
<b>Current assets</b>			
Accounts receivable and prepayments	17	71,950,656	27,484,654
Advance Taxation		360,357	-
Tax Refundable		167,901	4,504,020
Cash at banks, Non-Bank and in hand	18	176,805,980	152,049,710
		<u>249,284,894</u>	<u>184,038,384</u>
		<u>869,786,362</u>	<u>805,117,072</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	19	550,000,000	550,000,000
Retained earnings	20	23,853,250	22,130,224
Revaluation Reserve	22	33,800,000	33,800,000
		<u>607,653,250</u>	<u>605,930,224</u>
<b>Non Current liabilities</b>			
Policyholders' Reserves	21 (a)	142,826,636	90,432,771
Reinsurance Reinstatement Reserve	21 (b)	106,817,203	96,188,256
<b>Current liabilities</b>			
Taxation	13	3,700,255	4,611,180
Accounts payable	23	8,789,017	7,954,641
		<u>262,133,112</u>	<u>199,186,848</u>
		<u>869,786,362</u>	<u>805,117,072</u>

The financial statements were approved by the Board of Directors on April 8, 2021.

*Savitha Sugan*  
Director



*Johnnie A. Fuh*  
Company Secretary



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUE	NOTES	2020	Restated
		\$	2019 \$
Insurance premiums	5	200,276,563	190,977,501
Reinsurance premiums	5	(26,251,149)	(24,281,761)
		<u>174,025,414</u>	<u>166,695,740</u>
Investment income	6	5,175,291	5,175,291
Other income	7	34,206,814	6,530,240
		<u>213,407,519</u>	<u>178,401,271</u>
<b>EXPENDITURE</b>			
Claims	8	74,218,179	26,491,056
Commission and sales expenses	9	3,169,658	6,078,705
Management expenses	10 (a)	127,584,500	137,702,826
Deferred Taxation	10 (b)	1,505,951	1,866,309
		<u>206,478,287</u>	<u>172,138,896</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>6,929,232</b>	<b>6,262,375</b>
Taxation	13	(5,206,206)	(5,519,361)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b><u>1,723,026</u></b>	<b><u>743,014</u></b>

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	G\$ 2020	Restated G\$ 2019
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>		
Cash receipts from policy holders & customers	203,307,416	251,421,124
Reinsurance premiums paid	(24,147,068)	(24,281,761)
Claims paid	(28,722,340)	(26,491,056)
Cash paid to suppliers & employees	(128,136,716)	(141,518,385)
<b>Cash generated from operations</b>	<b>22,301,292</b>	<b>59,129,922</b>
Other income	1,996,882	3,067,329
Prior year adjustment	134,614	-
Interest & financial expenses	(94,330)	(341,590)
Taxes paid	(2,141,369)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>22,197,089</b>	<b>61,855,661</b>
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>		
Sale of fixed assets	-	18,951,609
Purchase of fixed assets	-	(29,720,498)
Mortgage loans	-	19,772,917
Bank interest received (net of withholding tax)	4,466,660	3,462,911
<b>Net cash provided by/(used in) investing activities</b>	<b>4,466,660</b>	<b>12,466,939</b>
<b><i>CASH FLOWS FROM FINANCING ACTIVITIES</i></b>		
Statutory deposits (net of withholding tax)	(1,907,479)	(5,806,850)
Loan repayment to holding company	-	-
<b>Net cash used in financing activities</b>	<b>(1,907,479)</b>	<b>(5,806,850)</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,756,269</b>	<b>68,515,748</b>
Cash and cash equivalent at beginning of period	152,049,710	83,533,962
<b>Cash and cash equivalent at end of period</b>	<b>176,805,980</b>	<b>152,049,710</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Statement of Changes in Equity for Year 2020	Share Capital \$	Retained Earnings \$	Revaluation Reserves \$	Total \$
Balance at January 1st 2020	550,000,000	22,130,224	33,800,000	605,930,224
Increase In Reserve	-	-	-	-
Deposit on Shares	-	-	-	-
Surplus for the year after Taxation		1,723,026		1,723,026
Transfer from reserves	-	-	-	-
Balance at December 31st 2020	550,000,000	23,853,250	33,800,000	607,653,250

**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