

# CARICOM GENERAL INSURANCE COMPANY, INC.

# 2022

## ANNUAL REPORT





# 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, 2022, 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, 2022, 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, 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.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Date: ...*March 30, 2023*.....

**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	NOTES	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	399,476,734	234,007,972
Intangible Assets		1,198,890	-
Residential Mortgage	12	18,950,289	-
Deferred taxation	10 (c)	31,921,815	66,396,354
		<u>451,547,729</u>	<u>300,404,325</u>
<b>Investments</b>			
Shares & Bond - Associated Company	14 (a)	173,009,713	173,009,713
Statutory Funds	16	119,896,632	147,549,170
		<u>292,906,345</u>	<u>320,558,883</u>
<b>Current assets</b>			
Accounts receivable and prepayments	17	107,771,743	61,564,453
Tax Refundable		167,901	167,901
Cash at banks, Non-Bank and in hand	18	371,545,149	210,586,572
		<u>479,484,792</u>	<u>272,318,926</u>
<b>Total Assets</b>		<u>1,223,938,867</u>	<u>893,282,135</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	19	550,000,000	550,000,000
Share Premium	19	136,956,982	-
Deposit on Shares	19	-	6,485,092
Retained earnings	20	40,335,753	25,994,093
Revaluation Reserve	22	33,800,000	36,000,000
		<u>761,092,735</u>	<u>618,479,185</u>
<b>Non Current liabilities</b>			
Policyholders' Reserves	21 (a)	245,410,288	140,602,385
Reinsurance Reinstatement Reserve	21 (b)	120,435,919	120,435,919
<b>Current liabilities</b>			
Taxation	13	35,505,244	6,761,145
Accounts payable	23	61,494,681	7,003,501
		<u>462,846,132</u>	<u>274,802,950</u>
<b>Total Capital and Liabilities</b>		<u>1,223,938,867</u>	<u>893,282,135</u>

The financial statements were approved by the Board of Directors on March 27, 2023.

*S. Sugrim*  
 Director



*[Signature]*  
 Company Secretary

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>REVENUE</b>	<b>NOTES</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
Insurance premiums	5	443,779,835	241,086,543
Reinsurance premiums	5	(29,173,704)	(27,210,786)
		<u>414,606,132</u>	<u>213,875,757</u>
Investment income	6	7,346,944	5,175,292
Other income	7	72,820,810	41,677,105
Real Estate Sale Expense		(902,800)	(28,272,917)
		<u>493,871,086</u>	<u>232,455,236</u>
<b>EXPENDITURE</b>			
Claims	8	73,481,185	73,560,611
Commission and sales expenses	9	10,804,040	3,265,593
Management expenses	10 (a)	320,869,574	140,540,949
Deferred Taxation for the year	10 (b)	34,474,538	4,394,843
Capital Gains Tax		-	285,300
		<u>439,629,338</u>	<u>222,047,296</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>54,241,748</b>	<b>10,407,940</b>
Taxation	13	(39,900,088)	(8,267,097)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u><b>14,341,660</b></u>	<u><b>2,140,843</b></u>

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	G\$ 2022	G\$ 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from policy holders & customers	521,714,838	238,628,229
Net credit card transactions	1,555,956	-
Reinsurance premiums paid	(27,084,116)	(24,745,496)
Claims paid	(53,599,980)	(25,118,419)
Cash paid to suppliers & employees	(231,534,858)	(147,497,764)
<b>Cash generated from operations</b>	<b>211,051,840</b>	<b>41,266,550</b>
Other income	1,536,612	1,466,431
Interest & financial expenses	(653,375)	(162,825)
Taxes paid	(11,155,989)	(4,845,850)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>200,779,089</b>	<b>37,724,306</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from sale of property	9,954,216	16,999,950
Commission & related expenses for sale of property	(1,902,800)	-
Acquisition of property, plant & equipment	(50,073,000)	-
Acquisition/Disposal - Real Estate Held in Trust	(28,200,000)	28,200,000
Increase in Term Deposit	-	29,500,000
Trust company investment	-	(29,500,000)
Bank interest received (net of withholding tax)	2,748,533	711,647
Bank interest received (net of withholding tax) - Statutory Fund		1,943,727
<b>Net cash provided by/(used in) investing activities</b>	<b>(67,473,051)</b>	<b>47,855,324</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Statutory deposits (net of withholding tax)	-	1,365,599
Deposit on shares	-	6,485,092
<b>Net cash used in financing activities</b>	<b>-</b>	<b>7,850,691</b>
<b>Net increase in cash and cash equivalents:</b>		
Statutory	(27,652,538)	59,649,727
Non-Statutory	160,958,576	33,780,594
<b>Total</b>	<b>133,306,038</b>	<b>93,430,321</b>
<b>Cash and cash equivalent at beginning of period:</b>		
Statutory	147,549,170	87,899,443
Non-Statutory	210,586,574	176,805,980
<b>Total</b>	<b>358,135,744</b>	<b>264,705,423</b>
<b>Cash and cash equivalent at end of period:</b>		
Statutory	119,896,632	147,549,170
Non-statutory	371,545,150	210,586,574
<b>Total</b>	<b>491,441,782</b>	<b>358,135,744</b>



## STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2022

Statement of Changes in Equity for Year 2022	Share Capital \$	Retained Earnings \$	Revaluation Reserves \$	Total \$
<b>Balance at January 1st 2022</b>	556,485,092	25,994,093	36,000,000	618,479,185
Increase In Reserve			(2,200,000)	(2,200,000)
Transfer of Deposit on Shares to Share Premium	(6,485,092)			(6,485,092)
Share Premium	136,956,982	-		136,956,982
Surplus for the year after Taxation		14,341,660		14,341,660
Transfer from reserves	-	-	-	-
<b>Balance at December 31st 2022</b>	<b>686,956,982</b>	<b>40,335,753</b>	<b>33,800,000</b>	<b>761,092,735</b>

Statement of Changes in Equity for Year 2021	Share Capital \$	Retained Earnings \$	Revaluation Reserves \$	Total \$
<b>Balance at January 1st 2021</b>	550,000,000	23,853,250	33,800,000	607,653,250
Increase In Reserve			2,200,000	2,200,000
Deposit on Shares	6,485,092	-		6,485,092
Surplus for the year after Taxation		2,140,843		2,140,843
Transfer from reserves	-	-	-	-
<b>Balance at December 31st 2021</b>	<b>556,485,092</b>	<b>25,994,093</b>	<b>36,000,000</b>	<b>618,479,185</b>