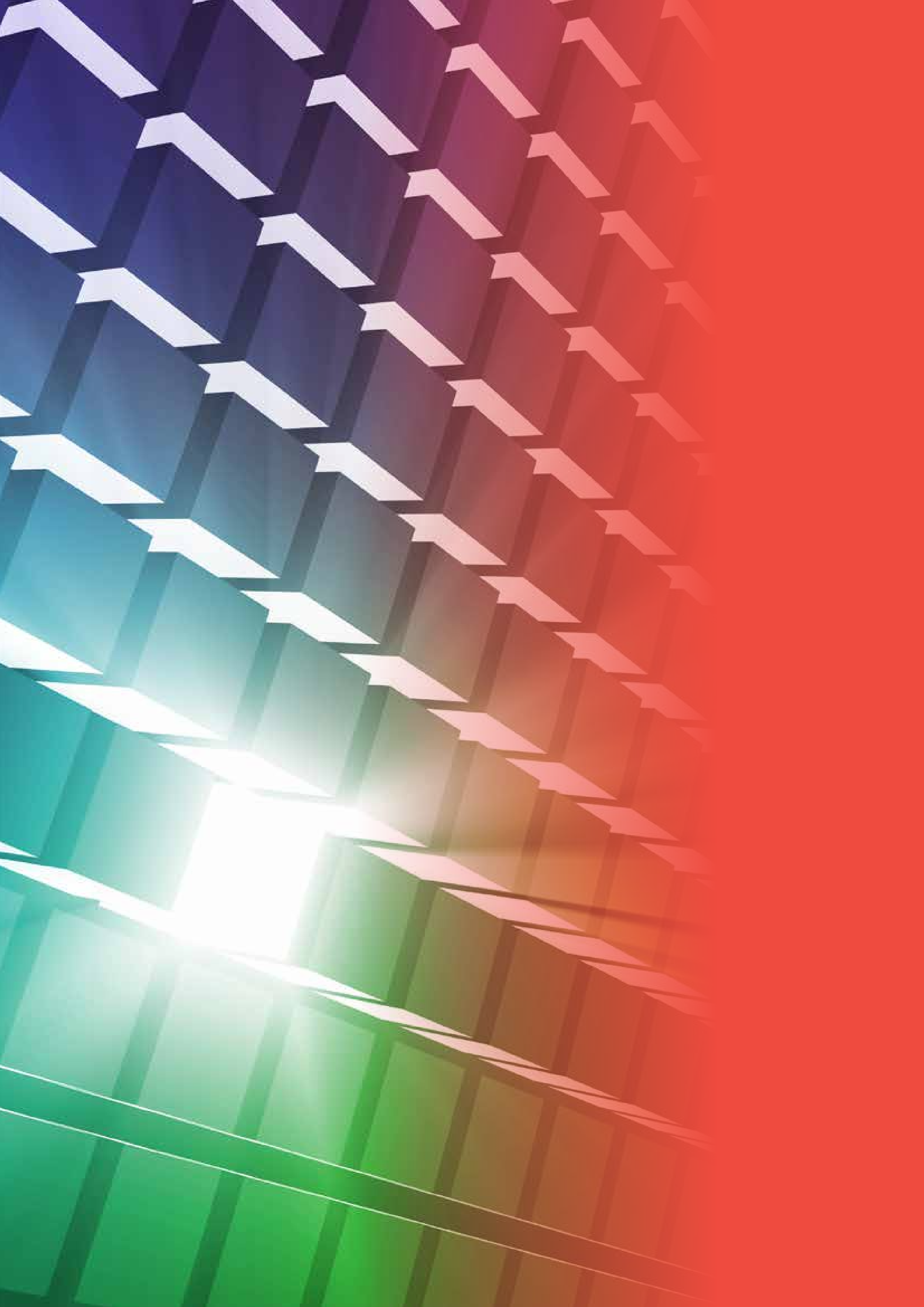
Annual Report 2021

45th Anniversary Edition

CariA Rated



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CORPORATE INFORMATION

Registered Office
69 Edward Street
Port of Spain
Trinidad

Bankers
Scotiabank Trinidad and Tobago Limited
Cor. Park and Richmond Streets
Port of Spain, Trinidad

Auditors
Bakertilly
Mecalfab House
4th Floor
92 Queen Street
Port of Spain

Corporate Secretary
Catherine Reid

NETWORK

TRINIDAD & TOBAGO

- **Port of Spain**
  69 Edward Street
- **Arima**
  22A King Street
- **Chaguanas**
  62 Mulchan Seuchan Road
- **San Fernando**
  8-10 Gordon Street
- **Tobago**
  Unit 4, Milford Bay Plaza
  5 Milford Road, Bon Accord

GUYANA

PREMIER Insurance Company Inc.

- **Georgetown**
  Lot 68 High Street, Kingston
- **Berbice**
  Lot 20 Nigg Public Road, Corentyne

ABOUT TRINRE

TRINRE celebrates 45 years as a dynamic and progressive indigenous insurance company of Trinidad and Tobago. Its establishment was instrumental in the development of the local insurance industry and has steadily flourished into a leading CariCRIS A Rated composite insurer, well-known for its enterprising and foresightful leadership. The company's success is premised on a sturdy architecture that encompasses strong Corporate Governance, revenue diversification, technological innovations, employee development and excellence in customer experience.

This is further bolstered with solid relationships with 'A' rated reinsurers and intermediaries who contribute to the company's development and distribution of an expanding range of Group Life and General Insurance products and services that support the economies and customers served.

TRINRE's expansion into Guyana, through its subsidiary PREMIER Insurance Company Inc., has brought new business opportunities for growth and partnerships that bring mutual benefits for both Guyana and Trinidad & Tobago.

OUR CORE PURPOSE

To enable greater prosperity for those we serve

OUR VALUES

Respect
Honour
Passion

OUR VISION

To be the most **respected** and admired company built on an enduring foundation of financial health grounded in strong Corporate Governance and citizenship, fuelled by innovation, passion and talent.

To gain **leadership** in the markets we serve, by surpassing the expectations of our customers and consistently honouring our obligations.

To be **recognized** for our social conscience by supporting the wellbeing of our colleagues, environment and communities.

OUR GUIDING PRINCIPLES

We believe that:

- Our customers determine our success.
- Each day has new possibilities.
- Continuous learning and self-mastery will keep us ahead of the competition.
- We must navigate change with strength, courage, innovation, talent and discipline.
- Long-term relationships are built on integrity, high credibility, mutual respect and honour.
- Profit and growth is one measure of success and a means to fulfill our obligations to customers, shareholders, reward our employees and meet other objectives

BOARD OF DIRECTORS

RANI LAKHAN-NARACE

EMBA
Executive Chairman
Appointed 22nd June, 2001

MICHAEL A.A. QUAMINA

LEC, LLB
Non-Executive Director
Appointed 4th April, 2011

Rani Lakhan-Narace has amassed an impressive record of prowess in both the retail and financial services sectors. Her distinguished leadership has led to her appointment on several Boards, and with a keen interest in societal and human development, Mrs. Lakhan-Narace has often extended her stewardship to a wide breadth of organizations.

She currently serves as a Director of Investment Managers Limited and President of The Bocas Lit Fest, a very successful Not for Profit company. She serves as the Immediate Past President of The International Women's Forum (IWFTT) and recent Chairman of the Transparency, Accountability, and Governance (TAG) Committee of The American Chamber of Commerce of Trinidad and Tobago. She is a Past President of the Association of Trinidad and Tobago Insurance Companies (ATTIC) and has also served on the Board of the Insurance Association of the Caribbean (IAC) and the Caribbean Corporate Governance Institute (CCGI).

Her professional accomplishments are supported by her academic achievements, holding both an Executive Master's Degree in Business Administration and a Post Masters of Business Administration (MBA) Certificate from the Arthur Lok Jack Graduate School of Business, UWI, as well as a Diploma in Corporate Governance from the Caribbean Corporate Governance Institute.

Michael Quamina is an attorney-at-law of over twenty years practice in several areas including Public Administrative and Constitutional Law, Industrial Relations, Insurance Law, and the Law with respect to confiscation of assets under the Proceeds of Crime Legislation. Mr. Quamina is a former Director of First Citizens Bank. He is currently a Director on the board of several companies in the private sector and the Chairman Trinidad Petroleum Holdings Limited and Vice Chairman of Caribbean Airlines Limited.

HOWARD A. DOTTIN

Executive MBA, FCCA
Non-Executive Director
Appointed 25th November, 2011

ADRIAN BHARATH

BA, FCA, CA
Non-Executive Director
Appointed 16th May, 2013

ANTHONY PROUDFOOT

Non-Executive Director
Appointed 16th May, 2013

Howard Dottin has over forty years of Finance and Accounting experience through service in both the Public and Private sector. Having held the posts of Chief Financial Officer in the banking sector and C-Level experience as Group Chief Financial Officer of one of the largest insurance conglomerates in the Caribbean region, Mr. Dottin's proficiency is incontestable. Mr. Dottin is a chartered accountant who also holds a Master's Degree in Business Administration with a specialization in Marketing and Finance and has generously shared his wealth of knowledge and experience through lecturing in accounting and at the post-graduate level to students of the MBA and MSC in Finance. He currently serves as a Director on companies' boards in both the public and private sectors , and continues to provides lectures via various professional institutions.

Adrian Bharath possesses over thirty-two years of experience in the field of Finance and has held the position of Managing Director of AMB Corporate Finance for the past eleven years. Mr. Bharath has also held the position of Director in the Corporate Finance Group at PricewaterhouseCoopers Limited (Trinidad and Tobago), and prior to that, spent eleven years at KPMG (London and New York) in the corporate finance, investment banking and auditing lines of business. He has served as Chairman of the National Insurance Board of Trinidad and Tobago, and Director on the Board of the National Insurance Property Development Company Limited (NIPDEC).

Anthony Proudfoot holds over thirty years of experience in the fields of retail, marketing, and distribution. He has held many leadership positions at both the Ansa McAl and Neal and Massy Holdings groups, including several Directorships on the Boards of Trinidad Distributors Limited, Penta Paints Limited and Melville Shipping. Mr. Proudfoot was Chairman at a number of organizations, namely Alston's Shipping, Geddes Grant Trinidad and Barbados, and at Hi-Lo Food Stores, where he was also the Chief Executive Officer. He has served as the Chief Executive Officer of H.D. Hopwood in Jamaica and as a Non-Executive Director on the Board of Agostini's Limited in Trinidad and Tobago.

IML EXECUTIVE CHAIRMAN'S STATEMENT

As the Executive Chairman of the parent company, I wish to congratulate our two companies, TRINRE Insurance (TRINRE) of Trinidad & Tobago and its subsidiary, PREMIER Insurance (PREMIER) of Guyana, for exceptional results during these turbulent and unprecedented times. TRINRE's Profit after tax of $21.2 million to March 31, 2021 was partially supported by the successful first quarter of PREMIER's operations that started on January 4, 2021.

TRINRE's results reflected the tenacity and drive required at this time, allowing it to pivot and manoeuvre these periods of uncertainty. The required changes made during these times did see the company's gross written premium reduce when compared to the previous period. However, this was in part by design as greater focus and emphasis on qualitative business was the order of the day with stricter scrutiny of its insurance business geared towards overall future sustainability.

PREMIER, an indigenous Guyanese company, entered the Guyana market as a subsidiary of TRINRE, which has a CariA rating that unequivocally represents financial strength and stability. What is particularly pleasing is the mutuality of benefits brought to each company and the creation of a symbiotic relationship that can only lead to greater efficiencies and results for many years to come. We are firm in our belief that our Guyana intervention is developmental in nature and will contribute to the Guyanese insurance industry, economy and both Guyana and Trinidad and Tobago. I am particularly pleased that the operations of PREMIER are managed by all Guyanese staff while TRINRE continues to provide operational expertise, shared knowledge, and support in key technical areas to ensure not only a transfer of technology but also that the service levels expected of PREMIER are met and surpassed. This will also allow for economies of scale which will lead to greater returns and a stronger foundation on which to build. Further, we remain outward looking as we pursue an early net neutral forex position.

It is indeed gratifying that during this period, not only did these companies retain all their employees but, in fact, created additional jobs in both Guyana and Trinidad, a firm commitment to the upliftment and development of both economies. Of significance, through our persuasion via education and incentives, TRINRE has currently reached 95% vaccination of employees, with PREMIER being 100%.

Success came from a well-executed vision and plan. I would like to take this opportunity to thank the TRINRE Board of Directors through the leadership of the Executive Chairman, Mrs. Rani Lakhan-Narace, and my fellow Directors of PREMIER, as well as its General Manager, Mr. Anil Singh, and the Management and Staff of both companies, their intermediaries as well as all the insureds.

Jerry Narace

EXECUTIVE CHAIRMAN

INVESTMENT MANAGERS LIMITED (IML)

TRINRE'S EXECUTIVE CHAIRMAN'S MESSAGE

We are extremely pleased to report that **TRINRE** has achieved its highest ever Profit after tax of $21.2 million and Profit before tax of $23.8 million for the financial year ended March 31, 2021, an improvement of 53% and 64%, respectively, over the previous year. To have achieved this during a period that started and ended with COVID-19 business shutdowns is a testament to our agility and adaptability, as well as to the commitment of our team and the loyalty of our customers and partners and a fitting tribute to **TRINRE's 45th Anniversary**.

These results were mainly attributable to net income from investment activities improving significantly to $21.9 million from a loss of $0.5 million, emanating from realized gains of $6.8 million and unrealized gains of $12.3 million. This was achieved primarily through a deliberate strategy for our well diversified investment portfolio which was continuously restructured and rebalanced in tandem with our goals.

Net results from underwriting activities of $33.7 million reflected a reduction 34% or $17.6 million as the Gross Written Premiums of $147.6 million experienced a drop of 24% ($47.2 million). In the circumstances, this fall off was expected.

As always, we remained cognizant of our obligations as a caring corporate citizen, supporting several organizations and media programs while donating hampers through our employees and other networks to alleviate the many burdens that the pandemic has thrust upon so many of our fellow citizens while supporting the drive for vaccinations.

With the successful start on January 4, 2021, of insurance operations of our Guyana subsidiary, PREMIER Insurance Company Inc.; the onset of IFRS17 implementation, and a continued focus on our capacity building, we remain poised to further advance our vision in the midst of the constant turbulence that characterizes today's business and social landscapes.

Rani Lakhan-Narace

EXECUTIVE CHAIRMAN

CORPORATE GOVERNANCE

TRINRE was initially incorporated as the Reinsurance Company of Trinidad and Tobago in 1975. Since its inception, it has steadily moved towards being a key competitor in the insurance sector with leading strides in Corporate Governance, Information Technology, and Revenue Transformation which enables the company's success.

TRINRE's wholly owned subsidiary, PREMIER Insurance Company Inc. ("PREMIER"), successfully commenced operations on January 4, 2021, in Guyana. As such, TRINRE's Governance Framework now extends to PREMIER to ensure that the Group's aims and objectives are achieved.

OBJECTIVES OF CORPORATE GOVERNANCE

The primary objective of Corporate Governance is to ensure that all stakeholders' interests are protected and satisfied.

The Board of Directors and Management of TRINRE are committed to healthy corporate governance practices which strengthen and maintain confidence in the Company and thereby contribute to optimal long-term value creation for shareholders and other stakeholders. The Executive Chairman also provides attentive oversight of management and promotes ethical and responsible decision-making towards Corporate Governance practices.

The Board consistently adopts transparent procedures and practices, which are consistently sustained by a qualified management team, which was recently enhanced by the addition of Mr. Sean Ayoung in the position of Chief Operating Officer. The Board faced a new complex reality with the onset of COVID-19, which created a different environment characterized by pressures and demands from various stakeholder groups, heightened expectations for societal engagement and uncertainty about the future. These factors made it clear that the Board has been steadfast in maintaining a well-functioning Company that consistently creates value over time. In so doing, struggles such as unsustainable debt, insufficient capital to fund their operations, a waning customer base or reduced workforce have been avoided.

This Annual Report provides an overview of the Company's performance, including the main areas actioned during the period April 1, 2020, to March 31, 2021.

COMPOSITION OF THE BOARD

A Board of Directors must be in the position to take independent and objective decisions. As such, the Company's current Board consists of five Directors, four being Non-Executive and Independent. This allows the Board to provide entrepreneurial leadership while reviewing management performance. The Board also ensures that human and financial resources are available to achieve the objectives of the Company.

For the past eleven years, we were privileged to have Elizabeth Cox as one of our Directors given her wealth of experience in insurance, management, and customer service. In January 2021, she retired from our Board of Directors, and we take this opportunity to wish her all success and prosperity as she embarks on a new stage of her journey.

The current Corporate Secretary is Catherine Reid, who started at the Company on March 1, 2021.

BOARD OF DIRECTORS' MEETINGS

The annual schedule of Board and Committee meetings ensures that substantial discussions and oversight of the Company are maintained. The Board of Directors held six (6) Board meetings for the period April 1, 2020, to March 31, 2021.

The following is a table of attendance for the Board at the Annual, Directors and Committee Meetings:

DIRECTOR	AUDIT	INVESTMENT	REGULAR BOARD MEETING	ANNUAL GENERAL MEETING
Rani Lakhan-Narace	5	1	6	1
Michael Quamina	1	0	5	0
Elizabeth Cox	2	0	4	0
Howard Dottin	5	5	6	1
Adrian Bharath	1	5	6	0
Anthony Proudfoot	5	5	6	0

BOARD COMMITTEES

The Audit and Investment Committees met during this period as detailed in the above table.

In its objective role, the Audit Committee remains independent from management and consistently seeks further clarification to effectively fulfill its role.

The Board of Directors considers that TRINRE maintains the practices required to generate financial statements which comply with all regulatory and statutory obligations for the period April 1, 2020, to March 31, 2021.

CORPORATE GOVERNANCE

PURPOSE OF INVESTMENT COMMITTEE

The Investment Committee is responsible for the planning and development of the Company's Investment Portfolio according to its financial needs and circumstances. It reviews management's performance and adherence to the Investment Policy within the delegated parameters. The Committee periodically reviews the Investment Policy in keeping with best practice and regulatory standards.

The Investment Committee is the primary authority on developing the Company's investment objectives and regularly meets to discuss strategies and make decisions which include the Committee's rationale based on the combined experience of its members. The performance of investments is evaluated according to long term objectives.

PURPOSE OF AUDIT COMMITTEE

The Audit Committee's purpose is to provide oversight of the financial reporting process, the audit process, the Company's system of internal controls, and compliance with relevant legislation and regulations. This process also includes meeting with the External Auditors to discuss any matters which either party considers warrants a private discussion. The Committee reviews proposed internal audit approaches and reviews and approves the Audit Plan, along with periodically meeting with the Internal Auditors and management to discuss any concerns that may arise.

The Audit Committee reviews significant accounting and reporting issues, as well as recent professional and regulatory developments, to understand the potential impact on the financial statements. The Committee assesses how management develops internal financial reports to ensure completeness and accuracy.

INTERNAL AUDIT

The Internal Auditor is tasked with assessing risks and internal controls within the Company, as well as compliance to the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. To achieve the Internal Audit function, a multitude of tasks, including examining financial statements, expense reports, inventory, financial data, budgeting, and accounting practices, as well as creating risk assessments for each department, must be undertaken. Once the Internal Auditor has completed the examination, the findings are presented in a formal report. The Audit Report describes how the audit was done, what was discovered and, if necessary, suggestions for what improvements could be made.

The Internal Auditor reports functionally to the Audit Committee, with an administrative reporting line to the Executive Chairman.

The performance of the External Auditors, Bakertilly Chartered Accountants, was assessed by the Audit Committee for the financial year ended March 31st, 2021. The Board was then able to approve the approach employed by the External Auditors in examining and ensuring that the financial statements do not contain any material misstatement and represent a fair and accurate view of the financial position of the Company. The Board was also satisfied that the results of the Company's operations and cash flows for the period under review were in accordance with International Financial Reporting Standards.

The Audit Committee provided the requisite approvals for the execution of audit as well as non-audit works performed by the external auditors during the period. **The following is a statement of fees paid to the External Auditor for audit and non-audit services for 2020.**

SERVICES	FEES PAID
Audit	127,500
Non-Audit	NIL

ENTERPRISE RISK MANAGEMENT

TRINRE's Enterprise Risk Management (ERM) framework articulates it risk philosophy and appetite, risk structures and processes, risk policies, and a regime of monitoring existing and emerging risk exposures, all designed to continuously strengthen the systems of internal control and mitigate the identified risk exposures. The extensive surges in COVID-19 infections and deaths over the last year wreaked havoc on the social, health and economic landscapes around the world. As a protective measure, TRINRE continued to closely monitor the additional business and health risks triggered by COVID-19 on an ongoing basis and implemented and/or modified controls to mitigate these risks as needed.

Due to its agile risk management posture, TRINRE has been able to successfully navigate a turbulent financial year to ensure that the organization continues to operate profitably while simultaneously meeting the safety and service needs of its stakeholders.

Anti-Money Laundering (AML) and Combatting Terrorist Financing (CTF)

TRINRE understands the importance and impact of this legislation and continues to operate under the ambit of the reduced AML/CTF obligations brought about by the change in the definition of "financial institution" throughout the AML/CTF legislative framework. As a result, TRINRE's AML/CTF obligations continue to be (i) ensuring a mechanism for identification and reporting of suspicious activity, (ii) screening for terrorism and proliferation financing and (iii) conducting customer due diligence as is appropriate to address requirements (i) and (ii).

CORPORATE GOVERNANCE

Insurance Act 2018

The Insurance Act 2018, the Insurance (Amendment) Act, the Finance Act and the Insurance Act Regulations were all proclaimed in November 2021 with an effective date of January 1, 2020. The Central Bank subsequently began issuing a series of circular letters to insurers and other industry stakeholders to provide high-level guidance on the issuance of new certificates of registration, the deadlines for one-off reporting requirements, the transition to the new regulatory reporting timeframes, requirements for intermediaries etc. The Central Bank also launched its online forum, the mechanism by which it will provide responses to queries raised by insurers and hosted a series of webinars to provide guidance on the completion of new financial reporting forms.

Notwithstanding these initial efforts, the industry continues to await comprehensive guidance from the Central Bank with respect to several new areas of the Insurance Act 2018 to ensure that this significantly amended and complex piece of legislation is clearly understood by all licensees. TRINRE is well prepared and looks forward to the guidance from the regulator to maintaining full compliance with the Insurance Act 2018.

The Board traditionally is committed to acknowledging and protecting shareholders' rights and maintaining shareholder confidence in its performance. The COVID-19 pandemic has shown that the Board and Managers were adaptable to facilitate the Annual Meeting via teleconference.

At all shareholder meetings, the Board, External Auditors, and the Management Team ensure attendance to effectively respond to any queries and concerns raised by shareholders.

BUSINESS HIGHLIGHTS

Mr. John O'Brien (center), trainer of Making Headlines, is presented with the winning trophy for the TRINRE Stewards Cup from Mr. George Smith (left) – Risk and Underwriting Manager of TRINRE, and Mr. Robert Bernard (right), President of the Arima Race Club.

Mr. Vinai Narace, Marketing, Customer Experience and Shared Services Manager of TRINRE, left, hands over the TRINRE derby Trophy to President of the Arima Race Club, Mr. Robert Bernard at TRINRE House in Port of Spain.

Mr. Roger Hadeed, (2nd from left) part owner of Wise Guy from the group PT Racing, receives the trophy for the TRINRE Trinidad Derby Stakes. Presenting are (l – r) Mr. Kevin Matthews – Finance Manager, TRINRE, Mr. Robert Bernard, President of the Arima Race Club, and Ms. Leila Compton – Assistant Finance Manager of TRINRE.

Messrs. Neil Poon Tip, Roger Hadeed, and Gerry Harding of PT Racing Group, share a photo with Mr. John O'Brien Trainer and proud jockey Mr. K. Santos with the winning horse, Triple Crown Winner, Wise Guy, after their victory in the TRINRE Trinidad Derby Stakes.

CSR HIGHLIGHTS

Eternal Light Community for the Vision of Hope Home

(l-r) Vinai Narace, - TRINRE, Sr Deborah de Rosia, Founder – Eternal Light Community for the Vision of Hope Home.

Living Waters Community

Living Water Community's Assistant Director, Ms. Rosemarie Scott (right) is presented with the donation raised by TRINRE's employees and the TRINRE Foundation, by Mrs. Trisha Quashie-Boney (left) of TRINRE.

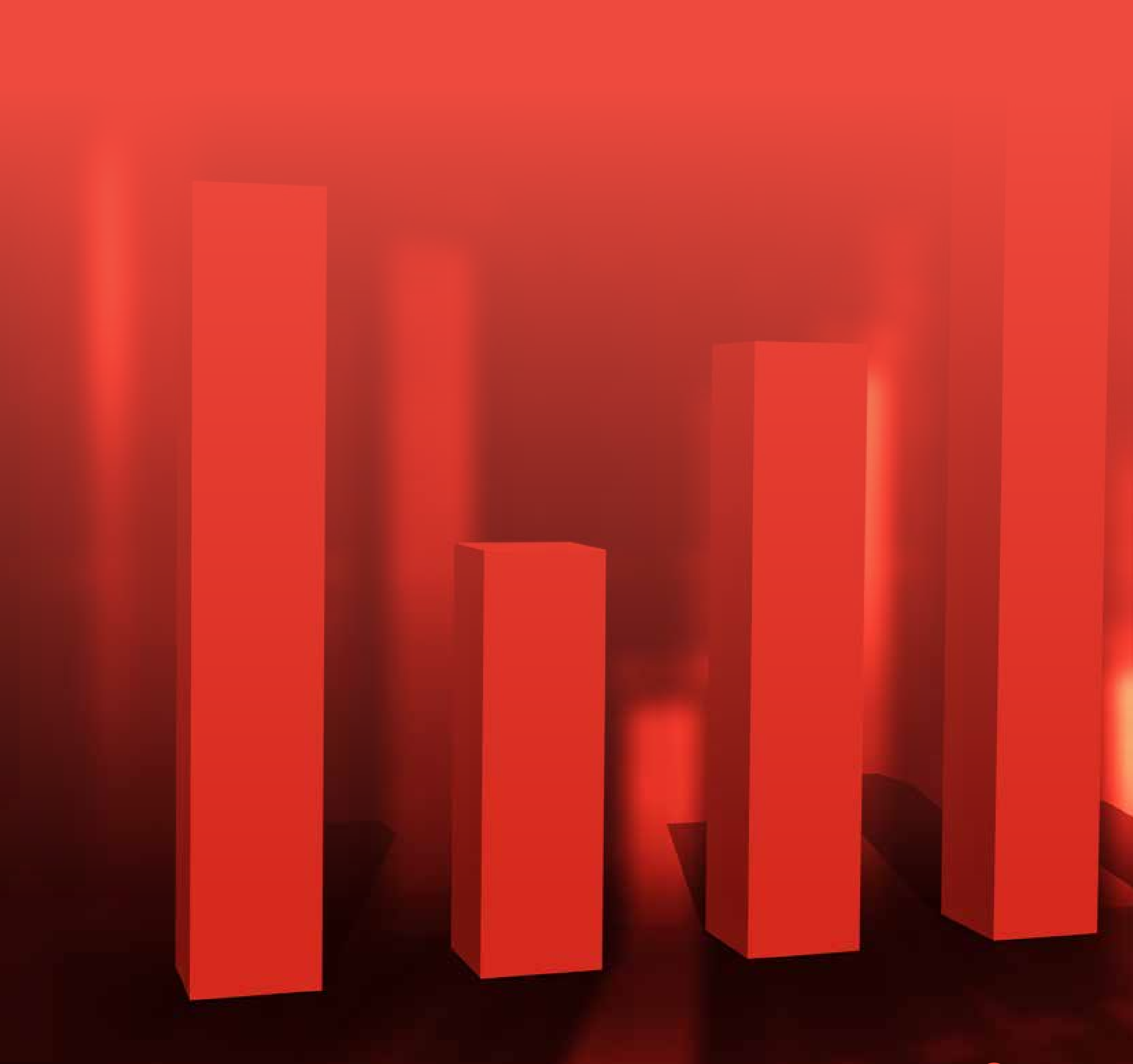
SewaTT

President of Sewa International TT, Mr. Revon Teelucksingh (left) receives a donation from TRINRE Representatives, Ms. Leila Compton – Assistant Finance Manager and Mrs. Aneesa Ali-Khan.

FINANCIAL STATEMENTS

TRINRE INSURANCE COMPANY LTD

YEAR ENDED MARCH 31, 2021



STATEMENT OF MANAGEMENT RESPONSIBILITIES
TRINRE INSURANCE COMPANY LIMITED

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of TRINRE Insurance Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilized the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorized for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.

Rani Lakhan-Narace,
Executive Chairman

Date: July 9, 2021

Kevin Matthews,
Finance Manager

Date: July 9, 2021

bakertilly

Independent Auditors' Report to the Shareholders of TRINRE Insurance Company Limited

Opinion

We have audited the Consolidated financial statements of TRINRE Insurance Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants including International Independence Standards (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The comparative figures were audited by another firm of independent auditors who issued an unqualified opinion dated November 13, 2020.

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 IFRSs 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.

Auditors’ 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 auditors’ 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 auditors’ 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 auditors’ 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.

Baker Tilly

Chartered Accountants

Port of Spain, Trinidad, West Indies

July 9, 2021

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Financial Position

March 31, 2021

	Notes	2021	2020
		$	$
ASSETS			
Property, plant and equipment	4	6,089,854	5,481,840
Right-of-use assets	5	12,505,524	14,015,759
Intangible assets	6	8,167,576	9,234,964
Investment property	7	9,750,000	9,750,000
Investment securities	8	129,191,721	99,022,117
Reinsurance assets	10	65,808,149	64,603,267
Accounts receivable and prepayments	11	33,314,877	28,885,192
Due from related parties	12	495,237	6,747,352
Deferred tax asset	9	457,083	958,819
Cash and cash equivalents		11,283,213	19,196,857
Total assets		277,063,234	257,896,167
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	13	22,500,000	22,500,000
Statutory reserve		-	28,928,737
Translation adjustment		(765,280)	-
Catastrophe Fund	2	488,490	-
Retained earnings		69,079,324	24,985,945
		91,302,534	76,414,682
LIABILITIES			
Insurance liabilities	14	129,240,806	123,463,854
Borrowings	15	2,500,000	-
Lease liabilities	5	13,262,724	14,436,049
Accounts payable	16	38,634,484	41,489,341
Taxation payable		2,122,686	2,092,241
		185,760,700	181,481,485
Total equity and liabilities		277,063,234	257,896,167

Signed on behalf of the Board

____________________ **Director** ____________________ **Director**

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Comprehensive Income

Year ended March 31, 2021

	Notes	2021	2020
		$	$
Insurance activities			
Gross premium	17	147,206,109	194,368,465
Premium ceded to reinsurers		(108,589,434)	(119,834,345)
Net premiums		38,616,675	74,534,120
Change in unearned premium reserve		(127,937)	1,455,596
Earned premiums		38,488,738	75,898,716
Reinsurance commission income	17	25,812,937	21,296,842
Net underwriting revenue		64,301,675	97,286,558
Net benefits and claims		(11,904,669)	(31,634,854)
Policy acquisition expenses	17	(18,707,411)	(14,345,854)
Underwriting expenses		(30,612,080)	(45,980,708)
Net result from underwriting activities		33,689,595	51,305,850
Investing activities			
Investment income		3,978,359	3,183,860
Net realised gains		7,278,816	499,161
Fair value gains/ (losses)		9,550,204	(2,701,891)
Decrease in value of investment property		-	(2,250,000)
Other income		1,056,399	812,645
Net income from investing activities		21,863,779	456,225
Net income from all activities		55,553,373	50,849,625
Operating expenses	18	(30,878,085)	(36,284,151)
Finance charges	18	(831,602)	(18,464)
Profit before for taxation		23,843,686	14,547,010
Taxation	9	(2,633,290)	(679,912)
Net profit for the year		21,210,396	13,867,098

The accompanying notes form an integral part of these financial statements.

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Changes in Equity

Year ended March 31, 2021

	Notes	Stated Capital	Statutory And Other Reserves	Retained Earnings	Total
		$	$	$	$
Balance at March 31, 2019		22,500,000	27,894,682	19,593,957	69,988,639
Net profit being total comprehensive income for the period/year		-	-	13,867,098	13,867,098
Transfer to statutory reserve		-	1,034,055	(1,034,055)	-
Dividends paid	24	-	-	(7,441,055)	(7,441,055)
Balance at March 31, 2020		22,500,000	28,928,737	24,985,945	76,414,682
Net profit being total comprehensive income for the year		-	-	21,210,396	21,210,396
Dividends paid		-	-	(5,557,264)	(5,557,264)
Transfer from statutory reserve		-	(28,928,737)	28,928,737	-
Translation reserve		-	(765,280)	-	(765,280)
Transfer to catastrophe reserve	24	-	488,490	(488,490)	-
Balance at March 31, 2021		22,500,000	(276,790)	69,079,324	91,302,534

The accompanying notes form an integral part of these financial statements.

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Cash Flows

Year ended March 31, 2021

	Notes	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		21,210,396	13,867,098
Adjustments for:			
Depreciation – Owned Assets	4,6	2,072,483	2,212,062
Depreciation – Right of Use Assets	5	3,110,113	2,820,950
Loss on disposal of property, plant and equipment		-	4,980
Change in investment valuation		(9,558,897)	2,701,891
Change in property valuation	7	-	2,250,000
Change in insurance liabilities		6,173,538	19,628,009
Change in reinsurance assets		(1,601,467)	2,580,428
Lease interest expense	5 (a)(b)(c)	794,601	968,911
Taxation	9	2,633,290	679,912
Investment and other income		(3,978,359)	(3,183,860)
		20,855,698	44,530,381
Changes in accounts receivable		(4,038,231)	1,162,803
Changes in due from related parties		5,445,134	(3,330,939)
Changes in accounts payable		(2,866,601)	8,255,912
Change in operating investments		(20,610,707)	(23,836,818)
Interest paid		(794,601)	(968,911)
Interest received on operating investments		3,586,904	3,134,603
Corporation taxes paid		(2,047,664)	(2,625,479)
Net cash from operating activities		(470,068)	26,321,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	4	(1,619,268)	(1,821,398)
Proceeds of disposal of fixed assets		14,172	-
Purchase of intangible assets		(8,013)	-
Net cash provided in investing activities		(1,613,109)	(1,821,398
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid	24	(5,557,265)	(7,441,055)
Payment of lease liability, net		(2,773,202)	(2,400,660)
Proceeds/ (Repayment) from borrowings		2,500,000	(7,305,769)
Net cash used in financing activities		(5,830,467)	(17,147,484)
Net increase in cash and cash equivalents		(7,913,644)	7,352,671
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/ PERIOD		19,196,857	11,844,186
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		11,283,213	19,196,857

The accompanying notes are an integral part of these financial statements.

1. Incorporation and Principal Activity

TRINRE Insurance Company Limited (the Company) is a limited liability company incorporated on July 3, 1975 and domiciled in the Republic of Trinidad and Tobago. The address of its registered office is 69 Edward Street, Port of Spain. The Company is a subsidiary of Investment Managers Limited, which is incorporated and domiciled in Trinidad and Tobago.

The Group primarily underwrites non-life and group life insurance risks. These products are offered primarily to the domestic market.

These financial statements were authorized for issue by the Board of Directors on July 9, 2021.

2. Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

At the date of authorization of these financial statements, certain new standards, and amendments to and interpretations of existing standards, which were in issue were not effective at the reporting date and had not been early-adopted by the Group.

New, revised and amended standards and interpretations that are effective

- IAS 1, *Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates Errors - Amendments - Definition of Material.*

  The amendments outline a revised definition of material, which states: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

  Three new aspects to the definition are provided:

  - 'Obscuring' information now includes circumstances in which the effect is similar to omitting or misstating that information. It also requires an entity to assess materiality in the context of the financial statements as a whole.

  - 'Could reasonably be expected to influence' amended from ''could influence' as the latter could be interpreted as requiring too much information since almost anything 'could' influence the decisions of some uses, even if to a remote degree.

2. Significant Accounting Policies (continued)

(a) Statement of compliance

New, revised and amended standards and interpretations that are effective (continued)

- IAS 1, *Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates Errors - Amendments - Definition of Material (continued)*

  - The meaning of 'primary users of general-purpose financial statements' to whom the financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

These amendments have no impact on the Group's Consolidated financial statements.

- *Revised Conceptual Framework for Financial Reporting*

  Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

  The Conceptual Framework is not itself a standard, nor do the concepts contained therein override any specific IFRS. The objective of the Conceptual Framework is to assist the International Accounting Standards Board ('IASB') in developing standards, to help preparers develop consistent accounting policies for areas that are not covered by a standard, and to assist all parties to understand and interpret the IFRS.

  The main change relates to:

- Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

  - The time-frame and manner in which assets and liabilities are recognized and de-recognized in financial statements.

  - New 'bundle of rights' approach to assets will mean that an entity may recognize a right to use an asset rather than the asset itself;

2. Significant Accounting Policies (continued)

(a) Statement of compliance

New, revised and amended standards and interpretations that are effective (continued)

Revised Conceptual Framework for Financial Reporting (continued)

A liability will be recognized if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present

- A new control-based approach to de-recognition will allow an entity to derecognize an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

These amendments have no impact on the Group's Consolidated financial statements.

New, revised and amended standards and interpretations that are not yet effective

- IFRS 9, *Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortized cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different.

  IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

  The Group has decided to defer the implementation of IFRS 9 until the earlier of the effective date of a new insurance standard and 2023 ('deferral approach') which is available to reporting entities with a predominant part of their business devoted to the activity of issuing contracts within the scope of IFRS 4.

2. Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

IFRS 9*, Financial Instruments (continued)*

The Group's activities are predominantly connected with insurance as the carrying amount of its liabilities arising from contracts within the scope of IFRS 4, *Insurance Contracts* is significant compared to the total carrying amount of all its liabilities. The annual reporting period immediately before 1 April 2021 was 31 March, 2021. At that reporting date, the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities was 92%. Insurance related revenue and expenses were 83% and 99% of total revenue and expenses, respectively. And, the Group's business of underwriting insurance risk has not changed from the year ended 31 March 2020. The Group will continue to apply IAS 39 until April 1,2023. To enable a comparison with entities applying IFRS 9, entities that apply the deferral approach are required to disclose the following information:

- Fair value and changes in fair value separately for:

(a) those financial assets that pass the solely payments of principal and interest (SPPI) test, excluding any financial asset that meets the definition of held-for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis and
(b) All other financial assets, including financial assets that are managed and whose performance is evaluated on a fair value basis. Refer to Note 8.

- Credit ratings of financial assets that pass the SPPI test. Financial assets which pass the SPPI test are assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Refer to Note 8.

- IFRS 17 *Insurance Contracts*, effective for annual reporting periods beginning on or after January 1, 2023, replaces IFRS 4 *Insurance Contracts* and provides three models to apply to all insurance contracts: the general model, the variable fee approach and the premium allocation approach.

2. Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

IFRS 17 *Insurance Contracts (continued)*

- The key principles in IFRS 17 are that an entity:

- identifies insurance contracts as those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event, (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- recognizes and measures company of insurance contracts at:
  - a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset).
- an amount representing the unearned profit in the company of contracts (the contractual service margin).
- recognizes the profit from a company of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a company contract is or becomes loss-making, an entity recognizes the loss immediately.
- presents separately insurance revenue (that excludes the receipt of repayment of investment components) and insurance finance income or expenses;
- includes an optional simplified measurement approach, or premium allocation approach, for simpler insurance contracts where the coverage period is less than a year or where there are no significant expected changes in estimates before the claims are incurred.

2. Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations that are not yet effective (continued)

- IFRS 17 *Insurance Contracts* (continued)

  Many of the disclosures of IFRS 4 are retained in IFRS 17. The general model requires disclosure and reconciliation of the expected present value of future cash flows, risk adjustment and contractual service margin. No reconciliation is required under the variable fee approach.

  The Group is assessing the impact that the standard will have on its financial statements.

(b) Basis of measurement

These financial statements are prepared on the historical cost basis except for the measurement at fair value of investment securities and investment property at fair value through profit and loss. No account is taken of the effects of inflation. The Group has consistently applied the accounting policies set out below to all periods presented in these financial statements.

(c) Functional and presentation currency

Amounts included in these financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in Trinidad and Tobago dollars which is the Group's functional and presentation currency.

(d) Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses and contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. Significant Accounting Policies (continued)

(d) Use of estimates, assumptions and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below:

- *Determining fair values*

  Fair value reflects the present value of future cash flows associated with a financial asset or liability where an active market exists. Observable market prices or rates are used to determine fair value. For financial instruments with no active market or a lack of price transparency, fair values are estimated using calculation techniques based on factors such as discount rates, credit risk and liquidity. The assumptions and judgements applied here affect the derived fair value of the instruments.

- *Impairment of assets*

  The identification of impairment and the determination of recoverable amounts is an intently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

2. Significant Accounting Policies (continued)

(d) Use of estimates, assumptions and judgements (continued)

- *Estimate of future benefit payments and premiums arising from long-term insurance contracts*

Actuarial liabilities include two major components: a best estimate reserve and a provision for adverse deviations. This latter provision is established in recognition of the uncertainty in computing best estimate reserves, to allow for possible deterioration in experience and to provide greater comfort that reserves are adequate to pay future benefits.

For the respective reserve's assumptions for mortality, lapse, future investment yields, operating expenses and taxes, best estimate assumptions are determined where appropriate for each major product line.

Provisions for adverse deviations are established based on the risk profiles of the business. They are determined within a specific range established by the Canadian Standards of Practice.

The reserve assumption for each component of policy cash flow consists of an assumption for the expected experience and, separately, a margin for adverse deviation that reflects the degree of uncertainty in the expected experience assumption. The expected experience and the margin reflect the latest current experiences.

Detailed analyses are carried out by the Group's Consulting Actuary to determine the best estimate assumptions.

Lapse and expenses studies were performed to determine the best estimate lapse and per policy future administrative expense assumptions. Due to events taking place subsequent to the year-end management has adopted a conservative lapse assumption to reflect uncertainties relating to future policyholder behaviour.

2. Significant Accounting Policies (continued)

(d) Use of estimates, assumptions and judgements (continued)

- *Estimate of future benefit payments and premiums arising from long-term insurance contracts (continued)*

- *Outstanding claims*

  Outstanding claims comprise estimates of the number of reported losses and expenses plus a provision for losses incurred but not reported based on historical experience. The loss and loss expense reserves have been estimated by the Group's actuary using the group's past loss experience and industry data.

  Amounts recoverable in respect of claims from reinsurers are estimated in a manner consistent with the underlying liabilities. Notes 20 and 22 contain information about the assumptions and uncertainties relating to insurance liabilities and discloses the risk factors in these contracts.

(e) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Trinidad and Tobago dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. There are no non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Land is not depreciated.

2. Significant Accounting Policies (continued)

(f) Property, plant and equipment (continued)

Depreciation on non-right of use assets is computed on the reducing balance basis at rates sufficient to write-off the cost of the assets over their estimated useful lives.

Depreciation on right of use assets is computed on the straight-line basis at rates sufficient to write-off the cost of the assets over their estimated useful lives.

The rates used are as follows:

Buildings	2%
Furniture and equipment	20%
Fixtures and fittings	20%
Motor vehicles	25%
Computer equipment	20%
Right of use assets	Over the lease life

The asset's residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

(g) Intangible assets

Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate future economic benefits exceeding costs beyond one year, are recognized as intangible assets. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

(h) Investment property

Investment property principally comprises land and building not occupied by the Company, which is held for long-term rental yields and capital appreciation. Investment property is classified as a non-current asset and was previously measured using the cost model. During 2014, management decided to change the measurement model to a fair value model and accordingly investment property is now revalued.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

2. Significant Accounting Policies (continued)

(i) Insurance contracts recognition and measurement

(i) Reinsurance assets

The Group assumes and cedes reinsurance in the normal course of business. Reinsurance assets primarily include balances due from reinsurance companies for ceded insurance liabilities.

Premiums on reinsurance assumed are recognized as revenue in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business.

Amounts due to reinsurers are estimated in a manner consistent with the associated reinsured policies and in accordance with the reinsurance contract. Premiums ceded and claims reimbursed are presented on a gross basis.

An impairment review is performed on all reinsurance assets when an indication of impairment occurs. Reinsurance assets are impaired only if there is objective evidence that the Group may not receive all amounts due to it under the terms of the contract and that this can be measured reliably.

(i) Insurance receivables

Insurance receivables are recognized when due and measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of comprehensive income.

(ii) Insurance liabilities

Life insurance contract liabilities

Life insurance liabilities for policyholders' benefits that are expected to be incurred in the future are recognized when contracts are entered into and premiums are charged. The liability is based on the present value of estimated amounts for projected future premiums, claims, benefits, investment income and policy maintenance expenses. The liability is based on key assumptions made with respect to variables such as mortality, persistency, investment returns and expense inflation. The liabilities are actuarially recalculated at each statement of financial position date and the change in the liability is recognized as an expense in the statement of income.

Death claims are recorded in profit or loss net of reinsurance recoverable.

2. Significant Accounting Policies (continued)

(i) Insurance contracts recognition and measurement (continued)

(iii) Insurance liabilities (continued)

General insurance contract liabilities

General insurance contract liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. Significant delays can be experienced in the notification and settlement of certain type of general insurance claims, therefore the ultimate cost of which cannot be known with certainty at the reporting date.

Reported outstanding general insurance claims comprise the estimated costs of all claims incurred but not settled at the reporting date, less any reinsurance recoveries. In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the reporting date.

Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the statement of comprehensive income in the year the claims are settled.

The estimation of claims incurred but not reported (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claims has happened.

Provision for unearned premiums

The proportion of written premiums attributable to subsequent periods is deferred as unearned premium. The change in the provision for unearned premium is taken to the income statement in the order that revenue is recognized over the period of risk.

(iii) Provision for other insurance financial liabilities

A provision is recognized when the Group has a present legal or constructive obligation, as a result of past events, which it is probable, will result in an outflow of resources and when a reliable estimate of the amount of the obligation can be made.

2. **Significant Accounting Policies** (continued)

(i) Insurance contracts recognition and measurement (continued)

(iv) Deferred acquisition and deferred commission income

Commission paid to agents and brokers for insurance contracts that are related to securing new and renewing existing contracts and commission income are deferred on a basis consistent with that used for deferring premium income.

(j) Financial instruments

i) Classification

The Group designates all financial assets as investment securities at fair value through profit and loss to eliminate or substantially reduce the mismatch which would otherwise arise and be consistent with how these investments are reported and managed internally.

ii) Recognition

All purchases and sales of financial assets are recognized on the settlement date. From this date, any gains and losses arising from changes in fair value of assets are recognized.

iii) Measurement

Financial instruments are initially measured at cost, being the fair value plus the transaction costs that are directly attributable to the acquisition of the instrument. A financial asset is derecognized when the contractual right to receive cash flows expire or when the asset is transferred.

Subsequent to initial recognition all investment securities at fair value through profit and loss are measured at fair value, based on readily available market prices at the close of business on the reporting date for listed instruments or by reference to current market values of another instrument which is substantially the same. If prices are not readily available, the fair value is based on either valuation models or management's estimate of amounts that could be realised under current market conditions. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions.

Any investment security at fair value through profit and loss that does not have a quoted market price in an active market and where fair value cannot be reliably measured is stated at cost, including transaction costs, less impairment losses.

2. Significant Accounting Policies (continued)

(j) Financial instruments (continued)

iii) Measurement (continued)

Gains and losses arising from the change in the fair value of investment securities at fair value through profit and loss subsequent to initial recognition are accounted for in the profit and loss. All non-trading financial liabilities and held-to-maturity assets are measured at amortised costs less impairment losses. Amortised cost is calculated on the effective interest rate method.

Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. The amortisation of premiums and discounts is taken to the statement of comprehensive income.

(k) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost.

(l) Impairment

The carrying amounts of the Group's assets, other than deferred tax assets (see accounting policy (*q*), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. In order to determine whether negative revaluations on investment securities correctly represent impairment, all investment securities for which the market value has been significantly below cost price for a considerable period of time, are individually reviewed. A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Group's long-term investment strategy. Impairment losses are recognized in profit and loss.

i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. **Significant Accounting Policies** (continued)

(l) Impairment (continued)

i) Calculation of recoverable amount (continued)

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(m) Product classification

Insurance contracts

Insurance contracts are defined as those containing significant insurance risk at the inception of the contract. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

Investment contracts

Any contracts not considered insurance contracts under IFRS are classified as investment contracts.

All contracts held by the Group as at March 31, 2021 have been classified as insurance contracts.

2. Significant Accounting Policies (continued)

(n) Employee benefits

The Group operates pension scheme arrangements which provide individual annuities payable on retirement for all senior managers and qualifying monthly paid employees, which are administered through individual policy contracts. This is a defined contribution plan to which the Group contributes 5% of salary.

A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company's contribution is charged to the income statement in accordance with the accrual basis.

(o) Revenue recognition

Premium income

Premiums written are recognized on policy inception and earned on a pro rata basis over the term of the related policy coverage.

Commission income

The fee is recognized as revenue in the period in which it is received unless these relate to service to be provided in future periods. If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract.

Reinsurance commission is recognized on a basis that is consistent with the recognition of the costs incurred on the acquisition of the underlying insurance contracts [see note 2(i)(i)]. Profit commission in respect of reinsurance contracts is recognized on an accrual basis.

Investment income

If the fees are for services to be provided in future periods, these are deferred and recognized in the income statement as the service is provided over the term of the contract. Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortization of any discount or premium. Investment income also includes dividends, which are recognized as received.

2. Significant Accounting Policies (continued)

(o) Revenue recognition (continued)

Realised gains and losses recorded in the income statement

Realised gains and losses on the sale of property and equipment and of investment securities at fair value through profit and loss are calculated as the difference between net sales proceeds and the original cost. Realised gains and losses are recognized in the statement of comprehensive income when the sale transaction occurs.

(p) Other income and expenditure

Other income and expenditure items are accounted for on the accrual basis.

(q) Taxation

Tax on income comprises current tax and the change in deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rate enacted by the reporting date, business levy and green fund levy, charged on worldwide income, and any adjustment of tax payable for the previous years.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities which affect neither accounting nor taxable income (loss).

Deferred tax is calculated on the basis of the tax rate that is expected to apply to the period when the asset is realised or the liability is settled. The effect on the deferred tax of any changes in the tax rate is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

2. Significant Accounting Policies (continued)

(r) Catastrophe Reserve

As required by Section 44 (1) of the Insurance Act 2018 of Trinidad and Tobago at least 20% of the Company's net written premium income on its property insurance business for that year is to be appropriated towards a Catastrophe Reserve until such surplus equals to the net written premium income on the insurer's property insurance business for that year. This reserve is not distributable.

(s) Related parties

A party is related to the Company, if:

(i) Directly, or indirectly through one or more intermediaries, the party:

- a) is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries);
- b) has a direct or indirect interest in the company that gives it significant influence; or
- c) has joint control over the company;

(ii) the party is an associate of the company;

(iii) the party is a joint venture in which the company is a venturer;

(iv) the party is a member of the key management personnel of the company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its directors and key management personnel, representing certain senior officers of the Company, its parent company and all their affiliates.

2. Significant accounting policies

(s) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

(t) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the scheduled lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

2. Significant accounting policies (continued)

(t) Leases(continued)

i. As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Changes in significant accounting policies

There were no changes in significant accounting policies for the year ended March 31, 2021.

4. Property, Plant and Equipment

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improve-ments	Work in Progress	Total
	$	$	$	$	$	$	$
Year ended March 31, 2021							
Cost							
Movements for the year							
April 01, 2020	2,471,905	2,001,488	1,639,431	3,040,961	3,390,188	1,325,000	14,168,974
Additions	506,868	286,750	392,888	406,788	25,974	-	1,619,268
Disposals	-	-	(351,471)	-	-	-	(351,471)
Balance as at March 31, 2021	2,978,773	2,288,238	1,680,848	3,447,749	3,716,162	1,325,000	15,436,770
Accumulated depreciation							
Balance as at April 01, 2020	1,625,687	1,577,113	1,312,441	1,848,132	2,303,886	19,875	8,687,134
Charge	177,760	123,226	130,051	261,652	278,289	26,103	997,081
Disposals	-	-	(337,299)	-	-	-	(337,299)
Balance as at March 31, 2021	1,803,447	1,700,339	1,105,193	2,109,784	2,582,175	45,978	9,346,916
Net book value							
March 31, 2021	1,175,237	587,899	575,654	1,337,965	1,133,987	1,279,023	6,089,854
March 31, 2020	846,218	424,375	326,990	1,192,829	1,386,302	1,305,125	5,481,840

4. Property, Plant and Equipment (continued)

	Office Furniture & Fittings $	Equipment $	Motor Vehicles $	Computer Equipment $	Building Improve-ments $	Work in Progress $	Total $
Year ended March 31, 2020							
Cost							
March 31, 2019	2,467,755	1,989,480	1,557,431	2,690,304	3,662,648	-	12,367,618
Movements for the Year							
Additions	4,151	12,007	82,000	370,700	27,540	1,325,000	1,821,398
Disposals	-	-	-	(20,043)	-	-	(20,043)
March 31, 2020	2,471,906	2,001,487	1,639,431	3,040,961	3,690,188	1,325,000	14,168,973
Accumulated depreciation							
March 31, 2019	1,414,654	1,471,837	1,214,834	1,612,194	1,960,074	-	7,673,593
Movements for the Year							
Charge	211,033	105,276	97,608	251,001	343,810	19,875	1,028,603
Disposals	-	-	-	(15,063)	-	-	(15,063)
March 31, 2020	1,625,687	1,577,113	1,312,442	1,848,132	2,303,884	19,875	8,687,133
Net book value							
March 31, 2020	846,219	424,374	326,989	1,192,830	1,386,303	1,305,125	5,481,840
March 31, 2019	1,053,101	517,643	342,597	1,078,110	1,702,574	-	4,694,025

5. Leases

As a lessee

The Group leases some assets, including properties, IT equipment and a motor vehicle. As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e., these leases are on-balance sheet. However, the Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low-value assets (e.g., IT equipment). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns. Right-of-use assets that meet the definition of investment property are presented within investment property. The implementation of the new standard had negligible impact on the financial statements.

Information about leases for which the group is a lessee is presented below.

(a) Right-of-use assets

	Properties and Motor Vehicle
	$
Balance at April 1, 2020	14,015,759
Additions	1,599,878
Depreciation charge for the year	(3,110,113)
Balance at March 31, 2021	12,505,524

	Properties
	$
Balance at April 1, 2019	16,069,231
Additions	767,478
Depreciation charge for the year	(2,820,950)
Balance at March 31, 2020	14,015,759

5. Leases (continued)

(a) Lease liabilities

Maturity analysis – contractual undiscounted cash flows:

	2021	2020
	$	$
Less than one year	4,152,318	3,432,680
One to five years	10,687,408	13,292,660
Over five years	29,144	263,144
	14,868,870	16,988,484
Less: future interest	(1,606,146)	(2,552,435)
Total discounted lease liabilities at March 31	13,262,724	14,436,049
Less: current portion	(688,834)	(2,602,608)
Non-current	12,573,890	11,833,441

(b) Amounts recognized in profit or loss

	2021	2020
	$	$
Interest on lease liabilities	794,601	968,911
Depreciation	3,110,113	2,820,950

(c) Amounts recognized in the statement of cash flows

	2021	2020
	$	$
Total cash outflow for leases	2,773,202	3,369,571

6. Intangible Assets

	Software	Work in Progress	Deferred Development Costs	Total
	$	$	$	$
Year ended March 31, 2021				
Cost				
Balance as at March 31, 2020	13,429,955	418,184	1,043,900	14,892,039
Accumulated depreciation				
Balance as at March 31, 2020	5,179,304	-	469,757	5,649,061
Charge for the year	866,621	-	208,778	1,075,399
Balance as at March 31, 2021	6,045,925	-	678,535	6,724,460
Net book value				
March 31, 2021	7,384,030	418,184	365,365	8,167,576
March 31, 2020	8,242,637	418,184	574,143	9,234,964

6. Intangible Assets (continued)

	Software	Work in Progress	Deferred Development Costs	Total
	$	$	$	$
Year ended March 31, 2020				
Cost				
Balance as at March 31, 2019	13,421,941	418,184	1,043,390	14,884,025
Accumulated depreciation				
Balance as at March 31, 2019	4,204,627	-	260,975	4,456,602
Charge for the period	974,677	-	208,782	1,183,459
Balance as at March 31, 2020	5,179,304	-	469,757	5,649,061
Net book value				
March 31, 2020	8,242,637	418,184	574,143	9,234,964
March 31, 2019	9,217,314	418,184	782,925	10,418,423

7. Investment Property

Investment property comprises property at Kingsbury Place, 22A King Street.

	2021	2020
	$	$
Net book value as at March 31	9,750,000	12,000,000
Change in fair value	-	(2,250,000)
Valuation as at the end of the year/period	9,750,000	9,750,000

The property was valued by Raymond & Pierre Ltd, an independent professional valuator, whose report dated August 24, 2020

7. Investment Property

The following table shows the valuation technique used in measuring fair value as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income approach This model: • Considers a property's potential cashflows; • Analyses the present worth of the anticipated future benefits to the owner over an assumed holding period; and • Includes a discounted cash-flow and income capitalization procedure to compute the value of property.	• Net income before debt service and depreciation; and • The potential rental value of the property in the current investment climate.	The estimated fair value would increase/(decrease) if: • Judgement about what the property can be sold, exchanged, let, mortgaged, which had been determined to be better/(worse); or • The potential rental value of the property increased/decreased.

Investment property in the current and prior year, are classified as Level 3 in the fair value hierarchy as per IFRS fair value measurement as the input for the valuation is not based on an observable market data.

Income and expenses in respect of investment properties are:

	2021 $	2020 $
Rental income and service costs	(832,906)	(811,690)
Investment property expense	199,739	197,210

8. Investment Securities

	2021	2020
	$	$
Securities at fair value through profit and loss		
Equity securities	52,987,207	38,939,219
Mutual funds	22,562,139	24,703,117
Government and Government-guaranteed bonds	50,269,125	32,060,889
Corporate bonds	3,373,249	1,870,892
Asset based security	-	1,448,000
Total investment securities	129,191,721	99,022,117

Investments, excluding interest receivable, are due from the reporting date as follows:

	2021	2020
	$	$
No specific maturity	75,549,346	63,642,336
Within 1 year	-	3,863,092
1 year to 5 years	34,303,750	18,028,184
Over 5 years	19,338,625	13,488,505
	129,191,721	99,022,117

The following table presents the fair value and the amount of change in the fair value of the Group's financial assets as at and for the year ended March 31, 2021 and March 31, 2020, showing separately the fair value of financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") and the fair value of financial assets that do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("non-SPPI"):

	2021				
Financial asset	Total Carrying Value	SPPI Financial Assets		Non-SPPI Financial Assets	
Investments:		Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
	$	$	$	$	$
Equity securities	52,987,207	-	-	52,987,207	3,837,229
Mutual funds	22,562,139	5,469,603	-	17,092,536	2,195,612
Government and Government-guaranteed bonds	50,269,126	50,269,125	3,313,970	-	-
Corporate bonds	3,373,249	3,373,249	165,688	-	-
	129,191,721	59,111,977	3,479,658	70,079,743	6,032,841

8. Investment Securities (continued)

	2020				
Financial Asset	Total Carrying Value	SPPI Financial Assets		Non-SPPI Financial Assets	
Investments:		Fair Value	Change in Fair Value	Fair Value	Change in Fair Value
	$	$	$	$	$
Equity securities	38,939,219	-	-	38,939,219	-
Mutual funds	24,703,117	-	-	24,703,117	-
Government and Government-guaranteed bonds	32,060,889	32,060,889	-	-	-
Corporate bonds	1,870,892	1,870,892	-	-	-
Asset based security	1,448,000	1,448,000	-	-	-
	99,022,117	35,379,781	-	63,642,336	-

Credit risk

	2021		
Credit rating	Carrying Value Amount	Fair Value	% of Fair Value
	$	$	
Bonds and asset security short-term investments			
Baa	12,436,093	12,436,093	100
Ba	31,563,382	31,563,382	100
Not rated	9,642,900	9,642,900	100
	53,642,375	53,642,375	

	2020		
Credit rating	Carrying Value Amount	Fair Value	% of Fair Value
	$	$	
Bonds and asset security short-term investments			
Baa	12,552,075	12,552,075	100
Ba	15,576,222	15,576,222	100
Not Rated	7,251,484	7,251,484	100
	35,379,781	35,379,781	

9. Taxation

	2021 $	2020 $
Income tax recognized in profit and loss		
Corporation tax	2,287,561	2,599,654
Green fund levy	208,645	299,482
Prior year over-provision of corporation tax	(419,485)	(1,443,561)
Deferred tax expense relating to the origination/ reversal of temporary differences	556,569	(775,663)
	2,633,290	679,912
Reconciliation of effective tax rate		
Profit before provision for taxation	23,298,659	14,547,010
Tax at the statutory rate of 30%	6,950,804	4,364,103
Expenses not deductible for tax purposes	97,530	60,604
Income exempt from tax	(4,974,966)	(2,600,716)
Green fund levy	208,645	299,482
Prior year over-provision of corporation tax	(419,485)	(1,443,561)
Prior year over-provision of deferred tax	770,762	-
Tax charge for year/period	2,633,290	679,912
Movement in the deferred tax liability (asset)		
Balance at the beginning of the year/period	(958,819)	(183,156)
Charge (credit) to the statement of comprehensive income	501,736	(75,663)
Balance at the end of the year/period	(457,083)	(958,819)
Composition of deferred tax liability (asset)		
Property, plant and equipment and leases, net	2,191,273	1,039,647
Right of Use Asset	(208,587)	126,087
Loss Relief un-utilized	(243,332)	-
Claims incurred but not reported	(2,003,100)	(1,252,370)
Other timing differences	(193,337)	(620,010)
	(457,083)	(958,819)

10. Reinsurance Assets

	2021	2020
	$	$
Claims reported and IBNR (Note 14 (c)	25,930,679	27,509,207
Provision for unearned premiums (Note 14 (e))	38,807,837	36,830,822
Other items	1,069,633	263,238
	65,808,149	64,603,267

11. Accounts Receivables and Prepayments

	2021	2020
	$	$
Insurance receivables	30,445,162	26,043,653
Other receivables	2,127,158	2,254,683
Prepayments	742,557	586,856
	33,314,877	28,885,192

12. Due from Related Parties

	2021	2020
	$	$
Caribbean Premium Financing Company Limited	487,077	2,109,155
Premier Insurance Company Inc.	-	4,413,093
Investment Managers Limited	8,160	225,104
	495,237	6,747,352

All outstanding balances with the related parties are unsecured.

13. Stated Capital

	2021	2020
	$	$
Authorized		
Unlimited number of ordinary and preference shares of no-par value		
Issued and fully paid ordinary shares		
11,666,666 shares of no-par value	22,500,000	22,500,000

14. Insurance Liabilities

	2021	2020
	$	$
(a) *Analysis of insurance liabilities*		
Long term insurance contracts (Note 14(b))	25,120,752	22,732,617
Short term insurance contracts		
Claims reported and loss adjustment expenses (Note 14(c)	35,163,009	34,150,828
Claims incurred but not reported (Note 14(c))	13,553,459	13,281,755
Unearned premiums (Note 14(e))	55,403,586	53,298,634
	104,120,054	100,731,237
Total insurance contracts liabilities	129,240,806	123,463,854

(b) (i) *Analysis of long-term insurance contracts*

2021

Policy Class	Policies	Annualized Premium	Face Amount	Negative Reserves	Statutory Reserves	Adjusted Reserve
		$	$ (000's)	$	$	$
Unit Trust Corporation (UTC) Benefit	4,700	57,630	51,019	(27,961)	101,704	129,666
Creditor Life	113,963	-	8,005,155	(54,010)	16,769,710	16,823,720
Creditor Life (IBNR) & Claims Reserve	-	-	-	-	1,574,708	1,574,708
Bereavement life	1,116	402,243	34,250	(530,322)	5,016,007	5,546,328
Group Life	1,571	725,076	184,241	-	1,046,329	1,046,329
Total	**121,350**	**1,184,949**	**8,274,665**	**(612,293)**	**24,508,458**	**25,120,751**

2020

Policy Class	Policies	Annualized Premium	Face Amount	Negative Reserves	Statutory Reserves	Adjusted Reserve
		$	$ (000's)	$	$	$
Unit Trust Corporation (UTC) Benefit	5,009	54,127	56,237	(11,184)	135,437	146,621
Creditor Life	115,129	-	7,921,313	-	17,404,368	17,404,368
Creditor Life (IBNR)	-	-	-	-	1,437,166	1,437,166
Bereavement life	886	366,452	23,470	-	2,750,668	2,750,668
Group Life	667	610,752	160,544	-	993,794	993,794
Total	**121,691**	**1,031,331**	**8,161,566**	**(11,184)**	**22,721,433**	**22,732,617**

14. Insurance Liabilities (continued)

(b) (ii) Change in policyholders' liabilities:

	2021	2020
	$	$
a) Actuarial liabilities:		
At the beginning of the year	22,732,617	6,389,894
Changes in actuarial model and assumptions	2,854,813	(3,228,698)
Normal changes in liabilities	(466,649)	19,571,421
At the end of the year	25,120,781	22,732,617

(b) (iii) Actuarial liabilities are computed for the insurance portfolio as follows:

1 The policy liabilities for both individual and group business have been calculated using the Caribbean Policy Premium Method. This method uses Best Estimates of future operating experience along with Margins for Adverse Deviations (MfADs), to determine the reserve required at the valuation date, such that the reserve and future expected cash flow receipts (e.g., premium, and investment income) are sufficient to meet all future cash flow expenditures (e.g., benefits and expenses).

2 Both individual and group business has been modelled on AXIS (actuarial valuation software) using a report summary of records provided by the management of TRINRE.

3 Considering the statutory requirements in Trinidad, all policies with negative reserves have been excluded from the reserves figures and set to zero.

14. Insurance Liabilities (continued)

(b) (iv) Sensitivity of actuarial liabilities to changes in assumptions:

The sensitivity of the actuarial liabilities to changes in assumptions is presented below, assuming there is a simultaneous change in the assumption across all products.

	Increase in Actuarial Liabilities, Net	
	2021	**2020**
	$	**$**
Policy related assumptions		
1% decrease in interest rates	1,323,181	953,077
10% increase in future mortality rates	1,424,345	1,069,525
10% decrease in future lapse rates	298,354	352,049
10% increase in future expense level	307,978	398,434

(c) Analysis of claims reports on short term insurance contracts:

			2021	
	Notes	**Insurance Contracts Liabilities**	**Reinsurers' Share of Liabilities**	**Net**
		$	**$**	**$**
Provision for claims reported by policyholders		35,163,009	19,137,590	16,025,419
Provision for claims incurred but not reported (IBNR)		13,553,459	6,793,089	6,760,370
Total claims reported and IBNR	14(f)	48,716,468	25,930,679	22,785,789
Provision for unearned premiums	14(e)	55,403,587	38,807,837	16,595,750
Total insurance contracts liabilities		104,120,055	64,738,516	39,381,539

			2020	
	Notes	**Insurance Contracts Liabilities**	**Reinsurers' Share of Liabilities**	**Net**
		$	**$**	**$**
Provision for claims reported by policyholders		34,150,828	19,230,523	14,920,305
Provision for claims incurred but not reported (IBNR)		13,281,775	8,278,685	5,003,090
Total claims reported and IBNR	14(d)(ii)	47,432,603	27,509,208	19,923,395
Provision for unearned premiums	14 (e)	53,298,634	36,830,822	16,467,812
Total insurance contracts liabilities		100,731,237	64,340,030	36,391,207

14. Insurance Liabilities (continued)

(d) Movement on the provision for claims on short term insurance contracts:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At March 31, 2020	47,432,603	27,509,207	19,923,396
Claims incurred	35,727,156	18,351.384	17,375,772
Claims paid during the year	(34,443,291)	(19,929,912)	(14,513,379)
At March 31, 2021	48,716,468	25,930,679	22,785,789
At April 1, 2019	39,325,094	21,406,065	17,919,029
Claims incurred	39,495,081	25,644,178	13,850,903
Claims paid during the period	(31,387,572)	(19,541,036)	(11,846,536)
At March 31, 2020	47,432,603	27,509,207	19,923,396

(e) Provision for unearned premiums on short term insurance contracts:

	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
	$	$	$
At March 31, 2020	53,298,634	36,830,822	16,467,812
Premium written in the year	110,318,046	83,637,612	26,680,434
Premium earned during the year	(108,213,093)	(81,660,597)	(26,552,496)
At March 31, 2021	55,403,587	38,807,837	16,595,750
At April 1, 2019	58,120,857	41,577,006	16,543,851
Premium written in the year	123,716,982	89,982,134	33,734,848
Premium earned during the year	(128,539,205)	(94,728,318)	(33,810,887)
At March 31, 2020	53,298,634	36,830,822	16,467,812

14. Insurance Liabilities (continued)

(f) Claims development:

Claims development information is disclosed in order to illustrate the insurance risk inherent in the Group. The top part of the table shows how the estimates of total claims for each accident year develop over time. The estimates are increased or decreased as losses are paid and more information becomes known about the severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimate of cumulative claims.

Analysis of net claims development

	Accident year						
	2015	2016	2017	2019*	2020	2021	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Estimate of cumulative claims at end of accident year	17,360	12,411	14,021	13,471	11,756	12,068	
-one year later	18,457	14,679	16,326	14,327	14,155		
-two years later	19,960	15,404	17,509	16,923			
-three years later	20,686	15,383	17,517				
-four years later	20,867	15,491					
- five years later	25,214						
Estimate of cumulative claims	25,214	15,491	17,517	16,923	14,155	12,068	101,368
Cumulative payments to date	(20,070)	(14,524)	(15,996)	(13,520)	(11,396)	(3,076)	(78,582)
Net outstanding claims liabilities	5,144	967	1,521	3,403	2,759	8,992	22,786

* Period of 15 months ended 31st March 2019 following change in financial year-end.

15. Borrowings

	2021	2020
	$	$
Revolving term loan from Scotiabank obtained in August 2015 for $7,200,000 to assist with the settlement of payables to reinsurers. Interest was charged at the annual rate of 3.9% per annum. Each advance was repayable upon maturity in 6 equal monthly instalments from the date of the first advance.	2,500,000	7,200,000
Loan from IML obtained in January 2017 for $475,960 to finance the acquisition of a motor vehicle. Interest was charged at the annual rate of 4.8% per annum. The loan was repayable in 36 equal monthly instalments of $13,221 plus interest. The loan was fully repaid during the year.	-	105,769
	2,500,000	7,305,769

16. Trade and Other Payables

	2021	2020
	$	$
Sundry creditors and accruals	13,510,970	9,535,408
Amounts due to reinsurers	25,123,514	31,953,933
	38,634,484	41,489,341

17. Net results from insurance activities

	Non-life insurance	Life insurance	Total
	$	$	$
Year ended March 31, 2021			
Gross premiums	110,318,046	36,888,063	147,206,109
Premium ceded to reinsurers	(83,637,612)	(24,951,822)	(108,589,434)
Net premiums	26,680,434	11,936,241	38,616,675
Change in unearned premium reserve	(127,938)	-	(127,938)
Earned premiums	26,552,496	11,936,242	38,488,738
Reinsurance commission income	25,765,162	47,775	25,812,937
Net underwriting revenue	52,317,658	11,984,017	64,301,675
Policy acquisition expenses	(11,027,821)	(876,849)	(11,904,669)
Net benefits and claims	(13,434,437)	(5,272,974)	(18,707,411)
Underwriting expenses	(24,462,257)	(6,149,823)	(30,612,080)
Net results from insurance activities	27,855,401	5,834,194	33,689,595
Period ended March 31, 2020			
Gross premiums	123,716,982	70,651,483	194,368,465
Premium ceded to reinsurers	(89,889,961)	(29,944,384)	(119,834,345)
Net premiums	33,827,021	40,707,099	74,534,120
Change in unearned premium reserve	1,455,596	-	1,455,596
Earned premiums	35,282,617	40,707,099	75,989,716
Reinsurance commission income	22,618,782	(1,321,940)	21,296,842
Net underwriting revenue	57,901,399	39,385,159	97,286,558
Policy acquisition expenses	(13,066,882)	(1,278,973)	(14,345,854)
Net benefits and claims	(13,033,774)	(18,601,080)	(31,634,854)
Underwriting expenses	(26,100,656)	(19,880,052)	(45,981,708)
Net results from insurance activities	31,800,743	19,505,107	51,305,850

18. Operating expenses

	2021	2020
	$	$
Actuarial fees	168,750	384,638
Administrative fees	1,440,730	6,672,526
Advertising	839,245	1,611,617
Consultant fees	1,997,092	1,546,234
Depreciation and amortization	2,072,483	2,212,062
Depreciation- right of use asset	3,110,113	2,820,950
Directors' fees	288,000	264,000
Equipment rental	243,372	217,825
Interest on lease liabilities	794,601	968,111
Management fees	1,012,500	1,012,500
Network and hardware maintenance	333,968	236,809
Office rent	25,993	72,241
Other expenses	5,065,658	3,364,866
Other staff costs	2,140,997	2,260,763
Promotions	270,976	335,271
Repairs and maintenance	129,658	268,198
Road side assistance	400,716	539,050
Salaries	9,793,644	9,705,695
Security	44,179	279,641
Software development	524,128	427,939
Software license and upgrade	591,779	717,234
Staff welfare	421,105	365,981
	31,709,687	36,284,151

19. Insurance Contracts Liabilities and Reinsurance Assets – Terms, Assumptions and Sensitivities

Terms and conditions

Non-Life

The major classes of non-life insurance contracts written by the Group include motor, property, and other miscellaneous types of general insurance. Risks under these policies usually cover a 12-month duration.

For these insurance contracts, claims provisions (comprising provisions for claims reported by policyholders and claims incurred but not yet reported) are established to cover the ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on known facts at the reporting date.

The provisions are refined as part of a regular ongoing process and as claims experience develops, certain claims are settled and further claims are reported. Outstanding claims provisions are not discounted for the time value of money.

Group Life

The major classes of group life insurance contracts written by the Company include:

a) *Creditor Life*

In the event of death of an insured (client of the policyholder - financial institution), the policy covers the outstanding balance of the insured's loan.

b) *Group Life*

This provides coverage in the event of death of the insured. Current in-force policies are annually renewable and offer coverage to age 65. Coverage amounts may be a flat benefit where all insureds have the same face amounts or may be a multiple of salary benefit where coverage is based on the salary of the insureds.

c) *Bereavement Cover*

This is essentially a funeral expense benefit. It provides coverage in the event of death of the insured. The policy covers up to five (5) eligible dependents with seven (7) benefit options ranging from $10,000 to $100,000.

19. Insurance Contracts Liabilities and Reinsurance Assets – Terms, Assumptions and Sensitivities (continued)

Assumptions

The principal assumption underlying the estimates is the Group's past claims development experience. This includes assumptions in respect of average claim costs and claim numbers for each accident year. Claims provisions are separately analysed by geographical area and class of business. In addition, larger claims are usually separately assessed by loss adjusters. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions like legislative change, uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting date.

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

20. Financial Instruments

Fair values

With the exception of insurance contracts which are specifically excluded under International Accounting Standard No. 39, the estimated fair values of certain financial instruments have been determined using available market information or other appropriate valuation methodologies that require judgement in interpreting market data and developing estimates. Consequently, estimates made do not necessarily reflect the amounts that the Group would realize in a current market exchange. The use of different assumptions and/or different methodologies may have a material effect on the fair values estimated.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that would significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements since those dates, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

20. Financial Instruments (continued)

(i) Short-term financial assets and liabilities

The carrying amount of short-term financial assets and liabilities comprising cash and short-term deposits, accounts receivable and accounts and other payables are a reasonable estimate of their fair values because of the short maturity of these instruments.

(ii) Investments

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

a) Determination of fair value and fair value hierarchies

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market.

This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

20. Financial Instruments (continued)

(ii) Investments (continued)

a) Determination of fair value and fair value hierarchies (continued)

Level 3

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

b) Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	$	$	$	$
March 31, 2021				
Investments at fair value through profit and loss	93,213,672	35,978,049	-	129,191,721
March 31, 2020				
Investments at fair value through profit and loss	71,435,336	27,586,781	-	99,022,117

Transfers between and movement in Levels

For the year ended March 31, 2021 there was no transfer of assets between and movement in Levels.

21. Insurance and Risk Management

a. *Introduction and overview*

The Group has exposure to the following risks from its use of financial instruments:

- Insurance risk
- Credit risk
- Liquidity
- Interest rate
- Foreign currency

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks and the Group's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

b. *Insurance risk*

The risk under an insurance contract is the risk that an insured event will occur including the uncertainty of the amount and timing of any resulting claim. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the premiums written or the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid being greater than originally estimated and subsequent development of long-term claims.

Management of insurance risk

The variability of risks is improved by careful selection and implementation of underwriting strategy and guidelines as well as the use of reinsurance arrangements. The majority of reinsurance business ceded is placed on a quota share basis with retention limits varying by product line.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

(c) *Reinsurance limits*

The table below presents the concentration of insured benefits across five bands per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

21. Insurance and Risk Management (continued)

(c) Reinsurance limits

The benefits assured distributed by retained amounts and by reinsured amounts are shown below:

2021			
Band $'000	Total amount $'000	Total amount reinsured $'000	Total amount retained $'000
0 - 250	7,505,748	5,108,193	2,397,555
251 - 500	653,287	484,326	168,961
501 - 1,000	71,468	55,740	15,728
1,001 - 3,000	39,162	35,874	3,287
3,001 and above	5,000	4,880	120

2020			
Band $'000	Total amount $'000	Total amount reinsured $'000	Total amount retained $'000
0 - 250	7,243,777	4,790,345	2,453,432
251 - 500	584,718	461,373	123,345
501 - 1,000	72,758	53,656	19,101
1,001 - 3,000	27,678	23,290	4,388
3,001 and above	232,635	184,184	48,452

d. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises on reinsurance assets, investment securities and insurance receivables.

21. Insurance and Risk Management (continued)

d. Credit risk (continued)

Management of credit risk

Reinsurance

Reinsurance is placed with high rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each year end, management performs assessment of creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

Investment securities

The Group limits its exposure by setting maximum limits of portfolio securities with a single issuer or group of issuers. The Group also only makes use of institutions with high creditworthiness.

Insurance receivables

The credit risk in respect of customer balances, incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document on the expiry of which the policy is either repaid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.

An estimate of the fair value of collateral and other security enhancements held against financial assets is nil.

Exposure to credit risk

The Group does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

21. Insurance and Risk Management (continued)

d. *Credit risk* (continued)

	Carrying 2021	Amounts 2020
	$	$
At fair value through profit and loss investments	129,191,721	99,022,117
Accounts receivables:		
(i) Insurance receivables	30,445,162	26,043,653
(ii) Other receivables	2,724,400	2,841,539
Reinsurance assets	65,808,149	64,340,029
Cash and cash equivalents	6,078,992	19,196,857
	234,248,424	211,444,195

Exposure to credit risk

	March 31, 2021				
	A	Baa	Ba	Not rated	Total
	$	$	$	$	$
Financial assets:					
Fair value through profit and loss investments	-	12,436,093	30,458,932	81,105,475	124,000,500
Cash	-	-	-	6,078,992	6,078,992
Reinsurance assets	65,808,149	-	-	-	65,808,149
Insurance and other receivables					
: Neither past due nor impaired	-	-	-	12,717,304	12,717,304
Past due but not impaired	-	-	-	18,926,825	18,926,825
Individually impaired	-	-	-	926,325	926,325
Gross amount	-	-		32,570,494	32,570,494
Allowance for impairment	-	-	-	(926,365)	(926,365)
Carrying amount [note 11]	-	-	-	31,644,089	31,644,089

	March 31, 2020				
	A	Baa	Ba	Not rated	Total
	$	$	$	$	$
Financial assets:					
Fair value through profit and loss investments	-	12,552,075	22,772,714	63,697,328	99,022,117
Cash	-	-	-	19,196,857	19,196,857
Reinsurance assets	64,340,029	-	-	-	64,340,029
Insurance and other receivables					
: Neither past due nor impaired	-	-	-	14,854,270	14,854,270
Past due but not impaired	-	-	-	14,030,922	14,030,922
Individually impaired	-	-	-	2,066,699	2,066,699
Gross amount	-	-		30,951,891	30,951,891
Allowance for impairment	-	-	-	(2,066,699)	(2,066,699)
Carrying amount [note 11]	-	-	-	28,885,192	28,885,192

21. Insurance and Risk Management (continued)

d. Credit risk (continued)

Impairment losses

The aging of receivables at the reporting date was:

	Gross 2021	Impairment 2021	Gross 2020	Impairment 2020
	$	$	$	$
Not past due	10,823,327	-	12,012,731	-
Past due 46-90 days	6,858,844	-	7,032,549	-
Past due 91-180 days	10,154,712	-	7,852,927	854,554
Past due 181-360 days	2,608,279	-	854,658	854,658
More than one year	926,365	926,365	357,487	357,487
	31,371,527	926,365	28,110,352	2,066,699

The movement in the allowance for impairment in respect of receivables during the period/year was as follows:

	2021	2020
	$	$
Balance at the beginning and end of the year / period	926,365	2,066,699

e. Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management of liquidity risk

The major liquidity risk confronting the Group is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Group sets limits on the minimum portion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover claims at unexpected levels of demand.

21. Insurance and Risk Management (continued)

e. Liquidity (continued)

Management of liquidity risk (continued)

The following tables analyse the insurance and financial liabilities and the reinsurance and financial assets of the Group into relevant maturity groupings based on the remaining period to the contractual or expected maturity date.

	Carrying Amount	No stated maturity	Within one year	Maturing Between one to five years	Over five years
Insurance and financial liabilities as at March 31, 2021					
Insurance contracts	104,120,055	-	104,120,055	-	-
Accounts payable	38,634,484	-	38,634,484	-	-
Taxation payable	2,195,688	-	2,195,688	-	-
	144,950,227	-	144,950,227	-	-
Reinsurance and financial assets as at March 31, 2021					
Investment securities	129,191,721	75,549,346	-	34,303,750	19,338,625
Reinsurance assets	65,808,149	-	65,808,149	-	-
Accounts receivables	33,314,877	-	33,314,877	-	-
Cash and cash equivalents	11,283,213	-	11,283,213	-	-
	239,597,960	75,549,346	110,406,239	34,303,750	19,338,625

21. Insurance and Risk Management (continued)

e. *Liquidity*

	Carrying Amount	No stated maturity	Within one year	Maturing Between one to five years	Over five years
Insurance and financial liabilities as at March 31, 2020					
Insurance contracts	100,731,237	-	100,731,237	-	-
Accounts payable	41,489,341	-	41,489,341	-	-
Taxation payable	2,092,241	-	2,092,241	-	-
	144,312,819	-	144,312,819	-	-
Reinsurance and financial assets as at March 31, 2020					
Investment securities	99,022,117	63,642,336	3,863,092	18,028,184	13,488,505
Reinsurance assets	64,340,029	-	63,337,852	1,002,177	-
Accounts receivables	26,043,653	-	26,043,653	-	-
Due from related parties	6,747,352	-	6,747,352	-	-
Cash and cash equivalents	19,196,857	-	19,196,857	-	-
	215,350,008	63,642,336	119,188,806	19,030,361	13,488,505

e. *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and price risk will affect the value of the Group's assets, the amount of its liabilities and/or income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on certain of its financial assets.

(a) Interest rates

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises on interest-bearing financial instruments recognized in the statement of financial position.

21. Insurance and Risk Management (continued)

e. Market risk (continued)

(a) Interest rates (continued)

Management of interest rate risk

The Investment Committee comprises of one non-executive member and two executive members. The committee is responsible for reviewing the investment portfolio of the Group and setting the general direction as to the types of investments that would comprise the Group's portfolio. The aim is to balance the risk and returns with an objective of maximizing investment income.

At the reporting date the interest rate profile of the interest-bearing financial instruments was:

	Carrying Amounts	
	2021	**2020**
	$	**$**
Fixed rate instruments		
Bonds	48,392,562	29,903,672

	Carrying Amounts	
	2021	**2020**
	$	**$**
Variable rate instruments		
Bonds	5,249,812	5,476,109
Money market funds	5,469,603	11,235,799
Cash at bank	11,283,213	1,215,465
	22,002,628	17,927,373

21. Insurance and Risk Management (continued)

e. Market risk (continued)

(a) Interest rates (continued)

Interest rate sensitivity:

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	2021		2020	
	Effect of profit		Effect on profit	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
Variable rate instrument	105,305	(105,305)	179,273	(179,273)

(b) Foreign currency

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a foreign currency, that is, in a currency other than the functional currency in which they are measured. The major foreign currency exposure is to the United States Dollars.

	Carrying Amounts			
	US$	EUR	GYD	TT$
Net position of foreign currency at March 31, 2021:				
Cash and investments	9,837,469	1,093,904	194,806,397	59,990,416
Net position of foreign currency at March 31, 2020:				
Cash and investments	6,994,490	209,961	-	48,939,376

21. Insurance and Risk Management (continued)

e. Market risk (continued)

(b) Foreign currency *(continued)*

Exchange rates of one dollar in various currencies to the Trinidad and Tobago dollar at year end was as follows:

	2021	2020
	$	$
United States dollar (USD)	6.75	6.72
EURO	7.98	7.25
Guyanese dollar (GYD)	0.0325	-

Currency risk sensitivity analysis

A 5% (2019: 5%) weakening of the Trinidad dollar against the United States, EURO and Guyanese dollar would have resulted in an additional credit (charge) to profit or loss by the amounts shown as follows:

	2021	2020
	$	$
Effects on profit (TT$)	(4,835,128)	(2,426,260)

This analysis assumes that all other variable, in particular interest rates remain constant. The analysis is performed on the same basis for 2020

f. Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the company's investment strategy is to maximise investment returns.

A 10 % (2020: 10%) increase or decrease in the bid price at the reporting date would cause an increase or an equal decrease respectively in equity of $ 9,738,821 (2020: $6,364,233).

21. Insurance and Risk Management (continued)

g. Capital management

The Group's objectives when managing capital are:

(i) To comply with capital requirements set by the regulators of the insurance industry within which the Group operates;

The Group's objectives when managing capital are:

(ii) To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

The Company's main regulator is the Central Bank of Trinidad and Tobago (CBTT) which monitors the capital requirements for the Company and its subsidiary

Regulators are primarily interested in protecting the rights of the policyholders and monitor the Group closely to ensure that it is satisfactorily managing affairs for the benefit of the policyholders. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

In implementing current capital requirements, the CBTT requires the Company to maintain a minimum capital requirement of $36,024,000

22. Related Party Transactions

(a) Identity of related party

The Company has a related party relationship with its parent and with its directors and executive officers.

22. Related Party Transactions

(b) Related party transactions

A number of transactions have been entered into with related parties in the normal course of business.

	2021	2020
	$	$
Income and expenses		
Management fees	931,819	1,012,500
Directors' fees	288,000	264,000
Advertising expense	405,000	101,250
Insurance premium income	(136,133)	(149,307)
	1,488,686	1,228,443

(c) Transactions with key management personnel

The key management personnel compensation is as follows:

	2021	2020
	$	$
Short-term employee benefits		
Emoluments	4,453,597	3,946,756

23. Dividend Paid

The following dividends were declared and paid by the Company during the respective period/year.

	2021	2020
	$	$
Final quarter dividend (prior year)	1,304,465	1,819,474
First quarter dividend	2,766,531	2,092,452
Second quarter dividend	395,663	901,981
Third quarter dividend	24,304	2,627,148
Fourth quarter dividend	1,066,302	-
	5,557,265	7,441,055

Dividends declared and paid per share:

	Cents per share 2021 $	2020 $
Final quarter dividend (previous year)	0.112	0.160
First quarter dividend	0.237	0.180
Second quarter dividend	0.034	0.080
Third quarter dividend	0.136	0.080
Fourth quarter dividend	0.091	0.023

Third quarter dividends to IML remained unpaid as at 31st March 2021.

TRINRE INSURANCE COMPANY LIMITED

FINANCIALS EXPRESSED IN GUYANESE DOLLARS

TRINRE's Consolidated Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows expressed in Guyanese dollars appears below. The purpose of this publication is to provide Guyanese readers of the Annual Report, with a quick and convenient overview of the Group's financial performance. The exchange rates used for this purpose are as follows:

- TT$6.75 to US$1.00
- USD$1.00 to GYD $208.6684

Consoldiated Statement of Financial Position

March 31st, 2021

	2021	2020
	GYD$	GYD$
ASSETS		
Property, plant and equipment	187,617,444	168,885,614
Right-of-use Assets	385,272,684	431,800,306
Intangible assets	251,628,315	284,512,611
Investment property	300,379,950	300,379,950
Investment securities	3,980,164,366	3,050,693,184
Reinsurance assets	2,027,430,623	1,990,310,370
Accounts receivable and prepayments	1,026,371,406	889,900,758
Due from related parties	15,257,350	207,873,762
Deferred tax asset	14,081,916	29,539,486
Cash and cash equivalents	347,615,476	591,420,603
Total assets	8,535,819,531	7,945,316,646
EQUITY & LIABILITIES		
EQUITY		
Stated capital	693,184,500	693,184,500
Statutory reserve	-	891,242,315
Translation Adjustment	(23,576,897)	-
Catastrophe fund	15,049,498	-
Retained earnings	2,128,209,641	769,771,991
	2,812,866,741	2,354,198,806
LIABILITIES	-	-
Insurance liabilities	3,981,676,606	3,803,699,107
Borrowings	77,020,498	-
Lease liabilities	408,600,656	444,748,675
Accounts payable	1,190,258,902	1,278,211,917
Taxation payable	65,396,128	64,458,141
	5,722,952,790	5,591,117,841
Total equity and liabilities	8,535,819,531	7,945,316,646

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Comprehensive Income

Year Ended March 31st, 2021

	2021 GYD$	2020 GYD$
Insurance Activities		
Gross premium	4,535,155,255	5,988,142,543
Premium ceded to reinsurers	(3,345,445,004)	(3,691,880,468)
Net premiums	1,189,710,251	2,296,262,076
Change in unearned premium reserve	(3,941,497)	44,844,293
Earned premiums	1,185,768,753	2,341,106,368
Reinsurance commission income	795,250,134	656,117,368
Net Underwriting revenue	1,981,018,887	2,997,223,736
Net benefits and claims	(366,761,431)	(974,612,909)
Policy Acquisition Expenses	(576,341,657)	(441,969,939)
Underwriting expenses	(943,103,087)	(1,416,582,848)
Net result from underwriting activities	1,037,915,800	1,580,640,888
Investing activities		
Investment income	122,566,078	98,088,996
Net realised gains	224,247,212	15,378,252
Fair value gains and losses	294,224,593	(83,240,411)
Change in Investment Property valuation		(69,318,450)
Other income	32,545,758	25,036,130
Net income from investing activities	673,583,641	(14,055,483)
Net income from all activities	1,711,499,441	1,566,585,405
Operating expenses	(951,298,231)	(1,117,849,381)
Finance charges	(25,620,154)	(568,843)
Profit before taxation	734,581,056	448,167,181
Taxation	(81,126,923)	(20,946,865)
Net profit for the year	653,454,133	427,220,316

Consoldiated Statement of Changes in Equity

Year Ended March 31st, 2021

	Stated Capital GYD$	Statutory Reserve GYD$	Retained Earnings GYD$	Total GYD$
		-	-	
Balance at April 1, 2019	693,184,500	859,384,942	603,654,546	2,156,223,988
Net profit for the year	-	-	427,220,329	427,220,329
Transfer to statutory reserve	-	31,857,373	(31,857,373)	-
Dividends paid	-	-	(229,245,511)	(229,245,511)
Balance at March 31, 2020	693,184,500	891,242,315	769,771,991	2,354,198,806
Net profit for the year	-	-	653,454,133	653,454,133
Dividends paid	-	-	(171,209,301)	(171,209,301)
Transfer to statutory reserve	-	(891,242,315)	891,242,315	-
Translation Reserve		(23,576,897)		(23,576,897)
Transfer to Catastrophe reserve		15,049,498	(15,049,498)	-
Balance at March 31, 2021	693,184,500	(8,527,400)	2,128,209,641	2,812,866,741

TRINRE INSURANCE COMPANY LIMITED

Consolidated Statement of Cash Flows

Year Ended March 31st, 2021

	2021	2020
	GYD$	GYD$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	653,454,122	427,220,329
Adjustments for:		
Depreciation – Owned Assets	63,849,471	68,149,649
Depreciation – Right of Use Assets	95,816,983	86,908,392
Loss on disposal of property, plant and equipment	-	153,425
Change in investment valuation	(294,492,411)	83,240,398
Change in property valuation	-	69,318,450
Change in insurance liabilities	190,195,593	604,703,627
Change in reinsurance assets	(49,338,316)	79,498,342
Lease interest expense	24,480,227	29,850,404
Taxation	81,126,925	20,946,865
Investment and other income	(122,566,080)	(98,088,996)
	642,526,515	1,371,900,884
Changes in accounts receivable	(124,410,628)	35,823,867
Changes in due from related parties	167,754,777	(102,620,235)
Changes in accounts payable	(88,314,817)	254,349,788
Change in operating investments	(634,978,783)	(734,369,456)
Interest received on operating investments	110,506,056	96,571,476
Interest paid	(24,480,227)	(29,850,404)
Corporation taxes paid	(63,084,842)	(80,886,282)
Net cash from operating activities	(14,481,949)	810,919,669
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(49,886,732)	(56,113,994)
Investment in subsidiary	(246,866)	-
Proceeds from disposal of fixed assets	436,614	-
Net cash provided in investing activities	(49,696,985)	(56,113,994)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(171,209,332)	(229,245,511)
Payment of lease liability, net	(85,437,362)	(73,960,013)
Proceeds from borrowings / (Repayments)	77,020,500	(225,077,593)
Net cash used in financing activities	(179,626,193)	(528,283,117)
Net increase in cash and cash equivalents	(243,805,127)	226,522,559
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/ PERIOI	591,420,603	364,898,051
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	347,615,476	591,420,603


TRINRE
INSURANCE