



ANNUAL REPORT 2023



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CORPORATE INFORMATION



Registered Office

69-71 Edward Street
Port of Spain
Trinidad and Tobago

Auditors

Baker Tilly Montano Ramcharitar
Mecalfab House
92 Queen Street
Port of Spain
Trinidad and Tobago

Bankers

Scotiabank Trinidad and Tobago Limited
Corner Park and Richmond Streets
Port of Spain
Trinidad and Tobago

Corporate Secretary

Catherine Reid

NETWORK

TRINIDAD & TOBAGO

**TRINRE Insurance
Company Ltd.**

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





TRINRE
INSURANCE

ABOUT TRINRE

TRINRE was founded 47 years ago and it has developed into one of Trinidad and Tobago's most dynamic and progressive composite insurance companies. Its establishment was a crucial catalyst in the development of the local insurance industry, and it played a significant advisory role to the Insurance Regulatory Authority of Trinidad and Tobago in areas of legislative and market conduct issues. TRINRE has steadily flourished into a leading Cari 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, employee development, technological innovations, and also 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 and Tobago.

VISION & VALUES

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, fueled 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 well being 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 are our measures of success and the means to fulfill our obligations to customers, shareholders, reward our employees and meet other objectives.

BOARD OF DIRECTORS

She currently serves as a Director of the JN Group of Companies Limited and President of the Bocas Lit Fest, a very successful not-for-profit company.

RANI LAKHAN-NARACE

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 organisations.

She currently serves as a Director of the JN Group of Companies 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.



EMBA
Chairman
Appointed 22.06.21



Executive MBA, FCCA
Independent Director
Appointed 25.11.11

HOWARD A. DOTTIN

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 Masters 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 provide lectures via various professional institutions.

MONICA LA BENNETT

Ms. Monica La Bennett, a Guyanese citizen, is a former Vice-President of Operations of the Caribbean Development Bank, providing leadership to the operating areas of the Bank, including Projects, Economics, Corporate Strategy, Renewable Energy/Energy Efficiency, Public-Private Partnership, and the Special Development Fund – CDB's largest pool of concessionary resources. She joined the CDB in 2004 and functioned as Chief Policy Analyst and Deputy Director in the Corporate Planning Division until her promotion to Vice President. Prior to joining the Bank, Ms. La Bennett operated a financial management consultancy, Signature Management Systems; served as Chief Executive Officer/Director/Secretary of the New Building Society (NBS) of Guyana; and as the Corporate Services Manager of the Caribbean Agricultural Research and Development Institute (CARDI) in Trinidad and Tobago.

She has also served on the Boards of Directors of local and international insurance companies, a remittance services company, and held senior positions in the regional Lions Club International.

Ms. La Bennett is a Fellow of the Association of Chartered Certified Accountants, UK (FCCA) and holds a Master's degree in Business Administration – International Business (with distinction) from the University of Bradford in the United Kingdom.



MBA, FCCA
Independent Director
Appointed 25.07.22

DEREK P. MITCHELL

Derek Mitchell is the principal associate of Kainder Limited, a management consultancy firm in Trinidad and Tobago which provides financial advisory services to small and medium-sized companies in various industries.

He is a qualified Certified Accountant and is a Fellow of the Association of Chartered Certified Accountants (ACCA), and a member of the Institute of Chartered Accountants of Trinidad & Tobago (ICATT).

He has been engaged in the audit of large multinational companies and several large publicly quoted companies while working for the larger audit firms in Trinidad and Tobago. Whilst in London, England, he worked on small and micro businesses and several medium-sized enterprises covering a wide range of industries. Mr. Mitchell has reviewed and developed a wide range of compliance and governance policies and has made presentations to staff and Boards of Directors on Anti-Money Laundering, Insurance Accounting, and Central Bank reporting. Mr. Mitchell currently holds several directorships and has sat on Boards involved in financial services and education for several years.



FCCA, CA
Independent Director
Appointed 25.07.22

RYAN PROUDFOOT

Ryan Proudfoot holds a Bachelor of Arts Degree (with Honours) in Accounting from the University of Kent at Canterbury, UK and a Masters of Business Administration in International Management from the University of Exeter, UK.

Mr. Proudfoot has a highly successful career in banking, holding the positions of General Manager, BNB Finance & Trust Corporation and General Manager, BNB Treasury with Barbados National Bank Inc. (renamed Republic Bank (Barbados) Limited; and a subsidiary of Republic Bank Limited).

Mr. Proudfoot joined BNB after serving as Business Head and Vice President, Citicorp Merchant Bank Limited (Barbados Branch) where he was responsible for the re-establishment of Citibank in Barbados. He was appointed to the Board of First Citizens Bank Limited on July 3, 2014 and subsequently as Chairman of the Board of First Citizens Investment Services (Barbados) Limited and First Citizens Brokerage and Advisory Services Limited, and a Director on the Boards of First Citizens Investment Services Limited, First Citizens Bank (Barbados) Limited and First Citizens Portfolio and Investment Management Services Limited.



MBA, BA(Hons.)
Independent Director
Appointed 25.11.22

SEAN AYOUNG

Sean Ayoun currently holds the position of Chief Executive Officer at TRINRE. He joined the company in 2021 as the Chief Operating Officer, where he was responsible for ensuring that the company's operational infrastructure were in line with its strategic objectives.

His experience in financial management within the insurance sector spans over eighteen years and his wide knowledge extends the breadth of key management areas.



MBA, FCCA, CA
Executive Director
Appointed 25.02.22

VINAI NARACE

Vinai Narace has over twelve years of experience in both Trinidad and Tobago and Canada in the areas of Business Management, General Insurance, Information Technology, Marketing, and Project Management.

He currently holds the position of Marketing and Customer Experience Manager, leading ongoing brand and customer experience initiatives as well as corporate communications and Corporate Social Responsibility. He also is responsible for the development of robust Governance, IT, and Operational systems for the effective management of shared services throughout the Group. He sits on the Board of the JN Group of Companies Limited, the parent of TRINRE, as well as a number of its other subsidiaries.



BS
Executive Director
Appointed 25.02.22

CHAIRMAN'S MESSAGE



It is with a sense of satisfaction and optimism that I present the Chairman's Message for TRINRE's 2023 Annual Report.

Over the past year, the global economy has moved away from crisis-driven policymaking into a phase of guarded post-COVID recovery. Yet, the transition has been uneven as inflationary pressures persisted throughout 2023, prompting major central banks to maintain tight monetary policies. These actions, while necessary to stabilize prices, have constrained global liquidity, curbed investment appetite, and introduced volatility across financial markets. According to the International Monetary Fund, global GDP growth declined from 3.5% in 2022 to 3.0% in 2023, with commodity shocks, rising debt burdens, and geopolitical uncertainty—most notably the protracted Russia-Ukraine conflict—further compounding market instability.

These global headwinds had a ripple effect on most economies including Trinidad and Tobago as it continued on its own path of measured recovery. Real

GDP growth was estimated at 2.7% for 2023, with notable resilience from the non-energy sector, which expanded by 4.2% during the first quarter. The energy sector, by contrast, posted marginal growth of just 0.3%, reflecting ongoing structural challenges that also contributed to a persistent foreign exchange reserves decline. Inflation, while declining slightly from its 2022 peak, remained elevated at an average of 5.8%. The Central Bank of Trinidad and Tobago, in response, maintained a cautious stance while advancing several regulatory initiatives aimed at ensuring greater consumer protection, increased cybersecurity, and overall financial stability, particularly within the insurance sector.

Amid this environment, TRINRE distinguished itself with robust and strategically driven financial and operational performance for the year ending March 31, 2023. We recorded Profit Before Tax of \$13.1 million and Profit After Tax of \$11.2 million, reflecting prudent underwriting and investment strategies. Our investment portfolio delivered a return of 3.7%, outperforming international benchmarks even amidst global uncertainty. We continued to optimize asset allocation to preserve capital and generate value.

Operationally, we deepened our commitment to customer service and digital transformation. The successful implementation of the second phase of our core claims and policy administration system has already led to measurable improvements in turnaround times, transparency, and customer satisfaction. We also remained IFRS 17-ready, making significant progress in actuarial modelling, policy segmentation, and internal governance systems to ensure full compliance.

Our Enterprise Risk Management framework was enhanced to reflect the new regulatory landscape and emerging risks, including climate-related exposure, cyber threats, and global reinsurance capacity constraints. Throughout, our strategic reinsurance partnerships provided an essential layer of security for our customers and confidence for our stakeholders.

TRINRE's long-term regional vision is well under way. Our subsidiary, Premier Insurance Company Inc. in Guyana, continues to grow from strength to strength, benefiting from the country's rapid GDP growth and the increasing demand for insurance solutions. With a local team and progressive leadership, Premier is well positioned as a major player in one of the Caribbean's most dynamic markets.

Our achievements would not be possible without our people. I extend my sincere thanks to our newly appointed CEO, Sean Ayoung, and the entire TRINRE team—whose professionalism, adaptability, and commitment to excellence continue to define our company. I am also deeply grateful to our Board of Directors for its oversight and counsel, and to our valued customers, reinsurers, intermediaries, regulators, and shareholders for their ongoing trust. I must also pay tribute to Messrs. Anthony Proudfoot, Michael Quamina and Adrian Bharath for their past contributions to the Board and welcome Ms. Monica La Bennett, Mr. Derek Mitchell, and Mr. Ryan Proudfoot as they bring their prowess and insightfulness to our deliberations.

As we look to the year ahead, we do so with confidence, anchored by our strong capital base, disciplined strategy, and enduring purpose. Together, we will continue to enable greater prosperity for those we serve.



RANI LAKHAN-NARACE
CHAIRMAN

CEO'S STATEMENT

To Our Shareholders



It is a privilege to present the Chief Executive Officer's Report of TRINRE Insurance Company Limited (TRINRE), along with the consolidated financial results of TRINRE and its subsidiary, Premier Insurance Company Inc. ("the Group"), for the financial year ended March 31, 2023.

This past year was influenced by a myriad of challenges and opportunities, both in our local market of Trinidad and Tobago and in Guyana, where our subsidiary is domiciled. We continued to operate against the backdrop of the ongoing post-COVID-19 recovery, while navigating external pressures including global geopolitical tensions, stock market volatility, and rising interest rates.

Domestically, the insurance sector faced a transformative period as the industry adapted to the provisions of the Insurance Act 2018 (as amended), and the suite of new regulations and guidelines that accompanied its proclamation effective January 1, 2021. Insurers, including TRINRE, were also called to meet evolving customer expectations, marked by increasing awareness, scrutiny, and demand for service quality and transparency. The upcoming adoption of the IFRS 17 Insurance Contracts standard

added further complexity, placing additional financial and operational demands on the industry. I am pleased to report that the Group is fully prepared for this transition and well-positioned to provide accurate, timely, and compliant reporting going forward.

Financial Results

The Group's core insurance business delivered a strong performance, with net results from underwriting activities increasing from \$44.5 million in 2022 to \$54.6 million in 2023—an improvement of \$10.1 million, or 22.5%. This was underpinned by growth in Net Premiums Written, which rose by 23.4% from \$45.9 million to \$56.6 million. Additionally, reinsurance commissions increased from \$27.8 million to \$36.1 million in 2023, reflecting expanded reinsurance cessions during the period.

Despite this operational strength, Group profit after tax declined to \$11.4 million from \$23.9 million in the prior year—a decrease of \$12.5 million or 52.4%. Profit before tax was \$15 million compared to \$25.9 million in 2022. This decrease was primarily driven by a reduction in net investment results, which fell by \$14.1 million or 79.4%—from \$17.8 million to \$3.7 million.

Nonetheless, the Group continued to strengthen its financial position. Total assets increased by \$10.2 million or 3.3%, from \$306.5 million to \$316.6 million. Shareholders' equity also rose by \$11.2 million or 10.4%, reaching \$118.5 million as at March 31, 2023.

TRINRE

Throughout the year, TRINRE remained focused on delivering reliable service, strong products, and tailored solutions in a demanding environment. The Company continued to benefit from increased reinsurance capacity through our A-rated partners and leveraged its advanced ICT infrastructure and sound governance to maintain operational excellence. Despite persistent foreign exchange challenges, TRINRE ensured timely settlement of obligations to its valued reinsurers.

TRINRE's Insurance operations continued to grow, with net results of \$42.2 million—an increase of \$2.2 million or 5.4% over the previous year. Profit before tax was \$11.6 million, while profit after tax was \$10 million—both reflecting declines of 52.1% and 56.2%, respectively. These results were largely due to a decline in investment portfolio performance, which decreased by \$12.6 million or 73.9%—from \$17.1 million to \$4.5 million—driven by realised and unrealised losses over the period.

Favourably, Shareholders' Equity grew by \$9 million or 8.4%, supported by an additional shareholders investment of \$7 million during the year.

Premier

Premier Insurance Company Inc. recorded a strong performance for the financial year ended December 31, 2022. This was supported by comprehensive quota share reinsurance arrangements, robust ICT capabilities, and a continued emphasis on customer service excellence.

The Company reported profits before and after tax of \$3.4 million and \$1.3 million respectively—compared to \$1.7 million and \$1.0 million in the prior year. These improved results were driven by growth in Gross Written Premiums, which increased by \$26 million or 165%. Underwriting results also rose significantly, from \$4.5 million to \$12.4 million year-on-year.

Outlook

Management remains optimistic about the future of the Group. We anticipate continued growth in both Trinidad and Tobago and Guyana, with the latter poised for accelerated expansion as its economy gains momentum. TRINRE is strategically positioned to take advantage of its competitive reinsurance capacity and disciplined underwriting approach.

In addition, we are actively evaluating opportunities for further growth—both within our existing markets and across the broader region. We look forward to sharing more with you, our valued stakeholders, as these developments evolve.

Acknowledgements

I would like to extend sincere thanks to our customers, reinsurance brokers, staff and management, Board of Directors, and all stakeholders who contributed to the Group's performance over the past financial year. Together, we have built a strong foundation—and I remain confident that the opportunities ahead will be even greater.



SEAN AYOUNG
CHIEF EXECUTIVE OFFICER

CORPORATE GOVERNANCE

Corporate governance refers to the human-based system by which an organization is directed, overseen and held accountable for achieving its defined purpose. This not only builds trust but also improves business performance and contributes to social and environmental integrity. This, therefore, requires that the relationships among management, the Board, shareholders, regulators and other stakeholders foster a climate of trustworthiness, transparency and accountability. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

TRINRE recognizes the importance of integrating sound corporate governance principles into its business practices to ensuring sustainable and principled performance. The Company is committed to ensure the profitable growth and sustainability of the organization, in order to generate value for its stakeholders while balancing the maximization of shareholders' returns with the protection of policyholders. TRINRE engenders a culture where each employee takes responsibility for his or her actions and adopts an ownership mindset. Its business ethics support its obligation to build a principled environment and uphold the highest standards of business conduct, honesty, and integrity.

The Company's performance during the period April 1, 2022 to March 31, 2023 is featured in this Annual Report.

OUR GOVERNANCE STRUCTURE

OUR BOARD OF DIRECTORS

Our Directors are elected by our shareholders to provide the calibre of leadership that optimizes sustainable shareholder value and stakeholder satisfaction.

Directors automatically retire from the Board at each Annual Meeting and are elected or re-elected (as the case may be) by the shareholders at the Company's Annual Meeting.

Our Board continues its firm commitment to maintaining the highest standards of corporate governance. To this end, there is continuous monitoring and updating, as necessary, of TRINRE's internal infrastructure to meet the increasingly complex business environment.

COMPOSITION OF THE BOARD

The Company's Board of Directors as at March 31, 2023, consisted of seven (7) Directors, with five (5) being Non-Executive and Independent.

WHAT WE EXPECT OF OUR DIRECTORS

The Board comprises a team of professionals that provides oversight on the strategic direction and decisions impacting TRINRE and its stakeholders.

Directors have fiduciary obligations towards TRINRE and are expected to perform their duties with trust, confidence, and confidentiality, always acting in the best interest of the Company.

Compliance with our governance policies and framework ensures that the Board remains aligned with our corporate governance goals as well as with all applicable laws, rules, regulations and guidelines.

Ultimately, the Board creates value for the shareholders, employees, and society as a whole.

SUBSIDIARY GOVERNANCE

The Board also provides oversight on our subsidiary in Guyana that relates to the achievement of goals and objectives, enterprise risk management and compliance. The majority of our Directors also forms part of our subsidiary Board to ensure that there is a continuity of strong governance and strategic intent throughout the Group.

THE BOARD'S CORE STRATEGIC PRIORITIES

The Board's principles of corporate governance provide a framework for the manner in which it functions and discharges its responsibilities:

To set the strategic aims and to review and approve corporate strategy

To ensure the Group has the appropriate organizational structure in place to achieve its objectives

To set and monitor an overall risk appetite framework for the Group by reviewing and approving systems of risk management and internal compliance and control and legal compliance

To monitor the effectiveness of corporate governance practices and to update organizational rules and policies in step with industry changes

To approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestitures

To ensure the integrity of accounting, financial and non-financial reporting

MEETING ATTENDANCE FOR THE PERIOD APRIL 1, 2022 TO MARCH 31, 2023

DIRECTOR	AUDIT COMMITTEE	INVESTMENT COMMITTEE	BOARD	ANNUAL MEETING
Rani Lakhan-Narace	100%	75%	100%	100%
Howard Dottin	100%	100%	100%	100%
Monica La Bennett	60%	-	60%	100%
Derek Mitchell	-	75%	60%	100%
Ryan Proudfoot	-	-	20%	-
Sean Ayoung	-	-	100%	100%
Vinai Narace	-	-	100%	100%
Michael Quamina	40%	-	-	100%
Adrian Bharath	-	20%	40%	100%
Anthony Proudfoot	40%	50%	20%	-

Changes to the Board of Directors during the period:

- Messrs Quamina and Bharath retired from the Board on July 25, 2022
- Messrs La Bennett and Mitchell were appointed to the Board on July 25, 2022
- Mr. Anthony Proudfoot retired from the Board on November 2, 2022
- Mr. Ryan Proudfoot was appointed to the Board on November 25, 2022

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE:

AUD E	
CHAIRMAN	Howard Dottin
MEMBERS	Monica La Bennett Rani Lakhan-Narace

The Audit Committee of TRINRE meets quarterly to review the Company's management accounts, the system of internal controls, the management of financial risks, the audit process, and the process for monitoring compliance with laws and regulations. Five (5) meetings were held during the financial year, with a special meeting being held to review the audited financial statements.

REPORT ON THE ACTIVITIES OF THE INVESTMENT COMMITTEE:

INVESTMENT COMMITTEE	
CHAIRMAN	Rani Lakhan-Narace
MEMBERS	Howard Dottin Derek Mitchell

The Investment Committee of TRINRE meets quarterly to review the Company's investment activities and monitor the performance of the investment portfolio. The Committee is responsible for overseeing the Group's investment strategies and performance, policies and guidelines. Four (4) meetings were held during the financial year.

FEES PAID TO THE EXTERNAL AUDITOR

The following is a statement of fees paid to the external auditor for audit and non-audit services during the financial year (April 1, 2022 to March 31, 2023):

SERVICES	FEES PAID
AUDIT	\$191,844.78
NON-AUDIT	\$0

ENTERPRISE RISK MANAGEMENT

TRINRE's Enterprise Risk Management (ERM) framework articulates an architecture that includes its risk philosophy and appetite, risk structures and processes, risk policies, risk tolerances, and a regime of monitoring existing and emerging risk exposures. This is designed to continuously strengthen the systems of internal control and mitigate the identified risk exposures in order to assure the company's sustainability. During the financial year, TRINRE continued to successfully identify and address emerging risks, thereby ensuring that the organization continued to operate effectively and profitably despite the challenges that arose in the local, regional, and global economic and geopolitical landscapes.

BUSINESS & COMMUNITY HIGHLIGHTS



Marketing and Customer Experience Manager, Vinal Narace – TRINRE (l) presents our contribution to Mr. Maurice Edwards, President of the Beetham Gardens IATF Police Youth Club.



(l-r) Kids in Need of Direction (KIND) Director, Gregory Farah accepts a donation from Vinal Narace, Marketing and Customer Experience Manager – TRINRE.



(l-r) Rugby Men's Under 18 National Team coach, Jonathan O'Connor receives a donation from Sean Ayong, CEO-TRINRE, in support of the team's 2022 Rugby Americas.



(l-r) Mrs. Sherron Harford, Vice Chairman of The Shelter, accepts TRINRE's donation from Marketing and Customer Experience Manager, Vinal Narace.

BUSINESS & COMMUNITY HIGHLIGHTS



Mr. Jerry Narace, Group Chairman shares a moment with Sadhguru at SAVESOIL's "An Evening with Sadhguru".



Marketing and Customer Experience Manager, Vinai Narace, presents a donation to Revan Teelucksingh, who accepted it on behalf of SEWATT.



(l-r) Lella Compton, Assistant Finance Manager, makes a presentation to the Autistic Society of Trinidad and Tobago's Public Relations Officer, Dr. Sarah Soo Hon.



(l-r) Debbie Goodman, Corporate Communications Manager of NAJIS, accepts TRINRE's sponsorship for the play "For the Love of Liberty" from Marketing and Customer Experience Manager, Vinai Narace.

FINANCIAL STATEMENTS

TRINRE INSURANCE COMPANY LTD
YEAR ENDED MARCH 31ST, 2023



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 comprises the consolidated statement of financial position as at March 31, 2023, 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;
- 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 complies 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.



Sean Ayoung, Chief Executive Officer
Date: June 26, 2023



Kevin Matthews, Finance Manager
Date: June 26, 2023

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF



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, 2023, 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, 2023, 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.

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 judgement 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.



Chartered Accountants

Port of Spain
Trinidad and Tobago
June 26, 2023

TRINRE INSURANCE COMPANY LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED MARCH 31, 2023

	NOTES	2023 \$	2022 \$
ASSETS			
Property, plant and equipment	4	6,014,871	6,521,167
Right-of-use assets	5	12,524,272	16,738,127
Intangible assets	6	6,414,990	7,280,869
Investment property	7	18,076,762	13,627,368
Investment securities	8	95,725,994	133,507,583
Reinsurance assets	10	78,570,311	75,286,306
Accounts receivable and prepayments	11	44,098,387	25,925,727
Due from related parties	12	1,681,821	1,908,733
Deferred acquisition costs		8,595,524	7,145,079
Cash and cash equivalents	13	44,945,391	18,541,110
Total Assets		316,648,323	306,482,068
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	14	22,500,000	22,500,000
Deposit on share capital	14	7,000,000	-
Translation adjustment		(208,109)	(1,027,694)
Catastrophe fund	2	1,666,137	1,005,495
Retained earnings		87,532,009	84,831,573
		118,490,037	107,309,374
LIABILITIES			
Bank overdraft	22	1,727,849	2,811,388
Insurance liabilities	15	140,145,294	137,808,531
Borrowings	16	7,500,000	1,200,000
Lease liabilities	5	13,580,432	17,538,982
Accounts payable	17	31,083,885	35,362,185
Due to related parties	12	-	1,583,983
Taxation payable		2,621,809	2,464,293
Deferred tax liability	9	1,499,017	403,331
		198,158,286	199,172,693
Total Equity and Liabilities		316,648,323	306,482,067

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

The TRINRE Board of Directors authorised these financial statements for issue on 26th June, 2023.

Signed on behalf of the Board


Director


Director

TRINRE INSURANCE COMPANY LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2023

	NOTES	2023	2022
		\$	\$
Insurance activities			
Gross premium	18	180,539,593	240,958,972
Premium ceded to reinsurers		(123,952,941)	(195,097,370)
Net premiums		56,586,652	45,861,602
Change in unearned premium reserve		(4,000,071)	(4,198,511)
Earned premiums		52,586,581	41,663,091
Reinsurance commission income	18	36,131,759	27,786,101
Net underwriting revenue		88,718,340	69,449,192
Net benefits and claims		(16,628,137)	(10,235,077)
Policy acquisition expenses	18	(17,537,567)	(14,676,772)
Underwriting expenses		(34,165,704)	(24,911,849)
Net result from underwriting activities		54,552,636	44,537,343
Investing activities			
Investment and other income		5,634,555	2,953,465
Net realised (losses)/gains		(2,115,075)	5,563,672
Fair value gains		156,409	9,314,716
Net income from investing activities		3,675,889	17,831,853
Net income from all activities		58,228,525	62,369,196
Operating expenses	19	(41,864,045)	(36,060,448)
Finance charges	19	(1,350,848)	(447,524)
Profit before taxation		15,013,632	25,861,223
Taxation	9	(3,661,169)	(2,010,229)
Net profit for the year		11,352,463	23,850,994

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

TRINRE INSURANCE COMPANY LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2023

	Notes	Stated Capital	Deposit on Capital	Catastrophe Reserve	Translation Reserve	Retained Earnings	Total
		\$	\$	\$	\$	\$	\$
Balance at April 01, 2021		22,500,000	-	488,490	(765,280)	73,010,655	95,233,865
Net profit for the year		-	-	-	-	23,850,994	23,850,994
Dividends paid	24	-	-	-	-	(11,513,071)	(11,513,071)
Translation reserve		-	-	-	(262,414)	-	(262,414)
Transfer to catastrophe reserve		-	-	517,005	-	(517,005)	-
Balance at March 31, 2022		22,500,000	-	1,005,495	(1,027,694)	84,831,573	107,309,374
Net profit for the year		-	-	-	-	11,352,463	11,352,463
Deposit on share capital	14	-	7,000,000	-	-	-	7,000,000
Dividends paid	24	-	-	-	-	(7,991,385)	(7,991,385)
Translation reserve		-	-	-	819,585	-	819,585
Transfer to catastrophe reserve		-	-	660,642	-	(660,642)	-
Balance at March 31, 2023		22,500,000	7,000,000	1,666,137	(208,109)	87,532,009	118,490,037

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

TRINRE INSURANCE COMPANY LTD

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	NOTES	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		15,013,632	25,861,223
Adjustments for specific items included on the accruals basis			
Lease interest expense	5(b)	714,235	222,037
Investment and other income		(5,634,555)	(2,953,465)
Adjustments for non-cash items		5,730,166	(3,180,362)
		15,823,478	19,949,433
Change in insurance liabilities		2,229,937	8,567,725
Change in operating investments		36,841,901	4,998,855
Change in reinsurance assets		(3,211,000)	(9,478,156)
Net change in other operating assets/liabilities		(25,461,635)	1,851,631
Interest paid		(500,756)	(433,530)
Interest received		6,685,808	2,937,719
Corporation taxes paid		(2,086,546)	(2,193,293)
Net cash from operating activities		30,321,187	26,200,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(670,083)	(1,520,688)
Purchase of investment property		(3,090,150)	(3,877,368)
Proceeds from disposal of fixed assets		7,309	-
Purchase of intangible assets		(304,786)	(99,636)
Net cash used in investing activities		(4,057,710)	(5,497,692)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid	24	(7,991,385)	(11,513,071)
Contribution to capital		7,000,000	-
Payment of lease liability, net		(4,084,272)	(3,443,112)
Proceeds from/(Repayment of) borrowings		5,216,461	(10,913,128)
Net cash provided by/(used in) financing activities		140,804	(25,869,311)
Net increase/(decrease) in cash and cash equivalents		26,404,281	(5,166,619)
Cash and cash equivalents at beginning of year/period		18,541,110	23,707,729
Cash and cash equivalents at end of year/period		44,945,391	18,541,110

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

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

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 and its subsidiary, Premier Insurance Company Inc. (the Group) is a subsidiary of JN Group of Companies (formerly 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.

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. Where IFRS's presented alternative accounting treatments, the most appropriate in the circumstances were chosen.

These financial statements provide further information on the accounting estimates and judgements made by the Group (see Notes 2.3), and reviewed on an ongoing basis. Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

The Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

2.1 New, revised and amended standards and interpretations that are effective in the current year

Amendments to IFRS 3 Reference to the Conceptual Framework

The amendments update IFRS 3 Business Combinations so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment—Proceeds Before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e., proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

2.1 New, revised and amended standards and interpretations that are effective in the current year (continued)

Annual Improvements to IFRS Accounting Standards 2018–2020 Cycle

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

IFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent, i.e., if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1. Under the revision, a subsidiary may elect to measure cumulative translation differences at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Accounting Standards.

The amendment will ease transition to the IFRS standards for the subsidiary by avoiding the requirement for parallel accounts and reducing costs associated with this.

Amendment to IFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

2.1 New, revised and amended standards and interpretations that are effective in the current year (continued)

Annual Improvements to IFRS Accounting Standards 2018–2020 Cycle (continued)

i) Amendment to IFRS 16 Leases

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As previously drafted, this example was unclear about whether the payments meet the definition of a lease incentive.

Onerous Contracts—Cost of Fulfilling a Contract (*Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets*), clarifies that when assessing if a contract is onerous, the cost of fulfilling it includes all costs related directly to the contract. Such costs include both:

- the incremental costs of the contract (i.e., costs a company would avoid if it did not have the contract, like direct labor and materials); and
- an allocation of other costs that relate directly to fulfilling the contract (e.g., contract management and supervision, or depreciation of equipment used in fulfilling it).

Reference to the Conceptual Framework (*Amendments to IFRS 3, Business Combinations*), updates references in IFRS 3 to the revised 2018 Conceptual Framework. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that this update does not change which assets and liabilities qualify for recognition in a business combination or create new Day 2 gains or losses.

Proceeds before Intended Use (*Amendments to IAS 16, Property, Plant and Equipment (PPE)*), introduces new guidance. Proceeds from selling items (e.g., samples) before the related PPE is available for its intended use can no longer be deducted from the cost of PPE. Instead, such proceeds are recognized in profit or loss, together with the cost of producing those items (to which IAS 24 applies). Therefore, a Group will need to distinguish between:

- costs of producing and selling items before the PPE is available for its intended use; and costs of making the PPE available for its intended use.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

2.1 *New, revised and amended standards and interpretations that are effective in the current year (continued)*

i) *Amendment to IFRS 16 Leases (continued)*

· Determining how to characterize such costs may require significant estimation and judgment. The amendments apply retrospectively but only for new PPE that reaches its intended use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. They can be early adopted.

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

2.2 *New, revised and amended standards and interpretations in issue that are not yet effective*

A number of new standards are effective for annual periods beginning after January 1, 2022 and earlier application is permitted; however the company has not early adopted the new or amended standards in preparing these financial statements.

i) *IFRS 17, Insurance Contracts*

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

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

i) IFRS 17, Insurance Contracts (continued)

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

Additional disclosures on this standard can be found in note 26.

2 Significant Accounting Policies (continued)

(a) *Statement of compliance (continued)*

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

IFRS 17 Insurance Contracts (continued)

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

2 Significant Accounting Policies (continued)

(a) *Statement of compliance (continued)*

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

· Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

2 Significant Accounting Policies (continued)

(a) *Statement of compliance (continued)*

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

· Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

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

· Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current (continued).

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

2 Significant Accounting Policies (continued)

(a) *Statement of compliance (continued)*

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

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities Arising from a Single Transaction.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

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

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities Arising from a Single Transaction (continued).

- Right-of-use assets and lease liabilities.
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2 Significant Accounting Policies (continued)

(a) Statement of compliance (continued)

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

· IFRS 9, Financial Instruments

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 – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through 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 recognised.

Pursuant to the above, 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)*

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

• *IFRS 9, Financial Instruments (continued)*

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 2023 was 31 March 2023. 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 90%. Insurance related revenue and expenses were 91% and 97% of total revenue and expenses, respectively.

The Group will continue to apply IAS 39 until March 31, 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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

2 Significant Accounting Policies (continued)

(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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

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 21 and 23 contain information about the assumptions and uncertainties relating to insurance liabilities and discloses the risk factors in these contracts.

(d) *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 & 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 & Equipment

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.

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 Group, 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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

2 Significant Accounting Policies (continued)

(i) *Insurance contracts recognition and measurement (continued)*

(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.

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 types 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.

2 Significant Accounting Policies (continued)

(i) *Insurance contracts recognition and measurement (continued)*

(ii) *Insurance Liabilities*

Life insurance contract liabilities

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)

(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.

2 Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

iii) Measurement (continued)

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.

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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

2 Significant Accounting Policies (continued)

(k) Cash & 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, 2023 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 Group'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.

2 Significant Accounting Policies (continued)

(o) Revenue Recognition (continued)

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.

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 & 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).

2 Significant Accounting Policies (continued)

(q) Taxation (continued)

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 utilised.

(r) Catastrophe Reserve

As required by Section 44 (1) of the Insurance Act 2018 of Trinidad and Tobago at least 20% of the Group'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 and is currently \$1,666,137 (2022: \$1,005,495)

(s) Related Parties

A party is related to the Group, if:

- (i) Directly, or indirectly through one or more intermediaries, the party:
 - a) is controlled by, or is under common control with, the Group (this includes parents, subsidiaries and fellow subsidiaries);
 - b) has a direct or indirect interest in the Group that gives it significant influence;
or
 - c) has joint control over the Group;
- (ii) the party is an associate of the Group;
- (iii) the party is a joint venture in which the Group is a venturer;
- (iv) the party is a member of the key management personnel of the Group or its parent;

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

2 Significant Accounting Policies (continued)

(s) Related Parties (continued)

- (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,
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group.

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

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

(t) Comparatives

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

(u) 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.

2 Significant Accounting Policies (continued)

(u) Leases (continued)

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.

i. As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various 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;

2 Significant Accounting Policies (continued)

(u) Leases (continued)

- 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, 2023.

TRINRE INSURANCE COMPANY LTD
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 YEAR ENDED MARCH 31, 2023

4 Property, Plant and Equipment

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improvements	Work in Progress	Building	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year Ended								
March 31, 2023								
<i>Cost</i>								
Movements for the year								
March 31, 2022	3,283,541	2,408,337	1,779,256	3,677,914	4,353,058	130,297	1,325,000	16,957,403
Additions	49,122	74,378	-	546,583	-	-	-	670,083
Disposals	-	(6,373)	-	(11,884)	-	-	-	(18,257)
Balance as at March 31, 2023	<u>3,332,663</u>	<u>2,476,342</u>	<u>1,779,256</u>	<u>4,212,613</u>	<u>4,353,058</u>	<u>130,297</u>	<u>1,325,000</u>	<u>17,609,229</u>
<i>Accumulated Depreciation</i>								
Balance as at March 31, 2022	2,041,854	1,824,297	1,249,236	2,393,684	2,855,607	-	71,558	10,436,236
Charge	274,195	126,417	148,938	296,200	301,731	-	25,070	1,172,551
Disposals	-	(5,504)	-	(8,925)	-	-	-	(14,429)
Balance as at March 31, 2023	<u>2,316,049</u>	<u>1,945,210</u>	<u>1,398,174</u>	<u>2,680,959</u>	<u>3,157,338</u>	<u>-</u>	<u>96,628</u>	<u>11,594,358</u>
<i>Net book value</i>								
March 31, 2023	1,016,614	531,132	381,082	1,531,654	1,195,720	130,297	1,228,372	6,014,871
March 31, 2022	1,241,687	584,040	530,021	1,284,231	1,497,451	130,297	1,253,442	6,521,167

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

4 Property, Plant and Equipment (continued)

	Office Furniture & Fittings	Equipment	Motor Vehicles	Computer Equipment	Building Improvements	Work in Progress	Building	Total
	\$	\$	\$	\$	\$		\$	\$
Year Ended March 31, 2022								
<i>Cost</i>								
Movements for the year								
March 31, 2021	2,978,773	2,288,238	1,680,848	3,447,749	3,716,162	-	1,325,000	15,436,770
Additions	304,768	120,099	98,408	230,165	636,896	130,297	-	1,520,633
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	<u>3,283,541</u>	<u>2,408,337</u>	<u>1,779,256</u>	<u>3,677,914</u>	<u>4,353,058</u>	<u>130,297</u>	<u>1,325,000</u>	<u>16,957,403</u>
<i>Accumulated Depreciation</i>								
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
Charge	238,407	123,958	144,043	283,900	273,432	-	25,580	1,089,320
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	<u>2,041,854</u>	<u>1,824,297</u>	<u>1,249,236</u>	<u>2,393,684</u>	<u>2,855,607</u>	<u>-</u>	<u>71,558</u>	<u>10,436,236</u>
<i>Net book value</i>								
March 31, 2022	<u>1,241,687</u>	<u>584,040</u>	<u>530,021</u>	<u>1,284,231</u>	<u>1,497,451</u>	<u>130,297</u>	<u>1,253,442</u>	<u>6,521,167</u>
March 31, 2021	<u>1,175,326</u>	<u>587,899</u>	<u>575,655</u>	<u>1,337,965</u>	<u>1,133,987</u>	<u>-</u>	<u>1,279,022</u>	<u>6,089,854</u>

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

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

	<u>Properties</u>	<u>Motor Vehicle</u>	<u>Total</u>
	\$	\$	\$
Balance at April 1, 2022	16,473,985	264,142	16,738,127
Additions	-	-	-
Disposals	-	-	-
Depreciation charge for the year	(4,049,423)	(66,036)	(4,115,458)
Adjustments	(98,397)	-	(98,397)
Balance at March 31, 2023	<u>12,326,165</u>	<u>198,106</u>	<u>12,524,272</u>
	<u>Properties</u>	<u>Motor Vehicle</u>	<u>Total</u>
	\$	\$	\$
Balance at April 1, 2021	12,175,346	330,178	12,505,524
Additions	9,534,608	-	9,534,608
Disposals	(1,537,709)	(66,036)	(1,603,745)
Depreciation charge for the year	(3,698,260)	-	(3,698,260)
Balance at March 31, 2022	<u>16,473,985</u>	<u>264,142</u>	<u>16,738,127</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

5 Leases (continued)

As a lessee (continued)

(a) Lease Liabilities

Maturity analysis – contractual undiscounted cash flows:

	2023	2022
	\$	\$
Less than one year	4,626,024	4,855,935
One to five years	10,367,702	14,978,821
Over five years	-	-
	<u>14,993,726</u>	<u>19,834,756</u>
Less: Future Interest	(1,413,294)	(2,295,774)
	<u>13,580,432</u>	<u>17,538,982</u>
Total discounted lease liabilities at March 31, 2023	<u>13,580,432</u>	<u>17,538,982</u>
Less: Current portion	(1,283,262)	(1,470,128)
	<u>12,297,170</u>	<u>16,068,854</u>

(b) Amounts recognized in the profit or loss:

Interest on lease liabilities	714,235	222,037
Depreciation	<u>4,115,458</u>	<u>3,698,260</u>

(c) Amounts recognized in the statement of cash flows

Total cash outflow for leases	<u>4,084,272</u>	<u>3,443,112</u>
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6 Intangible Assets

	Software	Work in Progress	Deferred Development Costs	Total
	\$	\$	\$	\$
Year ended March 31, 2023				
<i>Cost</i>				
Balance as at March 31, 2023	<u>13,529,592</u>	<u>418,184</u>	<u>1,043,900</u>	<u>14,991,676</u>
<i>Accumulated depreciation</i>				
Balance at April 1, 2022	6,823,492	-	887,315	7,710,807
Charge for the year	<u>709,294</u>	<u>-</u>	<u>156,585</u>	<u>865,879</u>
Balance as at March 31, 2023	<u>7,532,786</u>	<u>-</u>	<u>1,043,900</u>	<u>8,576,686</u>
<i>Net book value</i>				
March 31, 2023	<u>5,996,806</u>	<u>418,184</u>	<u>-</u>	<u>6,414,990</u>
March 31, 2022	<u>6,706,100</u>	<u>418,184</u>	<u>156,585</u>	<u>7,280,869</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

6 Intangible Assets (continued)

	Software	Work in Progress	Deferred Development Costs	Total
	\$	\$	\$	\$
Year ended March 31, 2022				
<i>Cost</i>				
Balance as at March 31, 2022	13,529,592	418,184	1,043,900	14,991,676
<i>Accumulated depreciation</i>				
Balance as at April 1, 2021	6,045,925	-	678,535	6,724,460
Charge for the year	777,567	-	208,780	986,347
Balance as at March 31, 2022	6,823,492	-	887,315	7,710,807
<i>Net book value</i>				
March 31, 2022	6,706,100	418,184	156,585	7,280,869
March 31, 2021	7,384,030	418,184	365,365	8,167,579

7 Investment Property

Investment property comprises three assets:

- 1) 22A King Street, Kingsbury Place, Arima, Trinidad
- 2) Unit 1203, 551 FLB Condominium, 551 North Fort Lauderdale Beach Boulevard, Fort Lauderdale, U.S.A.
- 3) 4 lots of land located at Block 2, Peter's Hall, East Bank, Demerara.

	2023	2022
	\$	\$
Net book value as at March 31	13,627,368	9,750,000
Addition	3,090,150	3,877,368
Valuation adjustment	1,359,244	-
Valuation as at the end of the year/period	18,076,762	13,627,368

The property at 22A King Street, Kingsbury Place, Arima, Trinidad was valued by Raymond & Pierre Ltd., an independent professional valuator, whose report dated August 24, 2020.

The property at 551 North Fort Lauderdale Beach Boulevard, Fort Lauderdale was purchased in February 2022. A valuation was carried out by Cardinal Reality Advisors in June 06, 2022.

The property at Block 2, Peter's Hall, Guyana, was valued by Kurt Gonsalves, an independent professional valuator, whose report dated April 20, 2022.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

7 Investment Property (continued)

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
<p>Income approach</p> <p>This model:</p> <ul style="list-style-type: none"> Considers a property's potential cashflows Analyses the present worth of the anticipated future benefits to the owner over an assumed holding period Includes a discounted cash-flow and income capitalization procedure to compute the value of property 	<ul style="list-style-type: none"> Net income before debt service and depreciation The potential rental value of the property in the current investment climate. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> Judgement about what the property can be sold, exchanged, let, mortgaged, which had been determined to be better/(worse). 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:

	2023	2022
	\$	\$
Rental income and service costs	-	775,617
Investment property expense	-	(151,026)

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

8 Investment Securities

	2023	2022
	\$	\$
Securities at fair value through profit and loss		
Equity securities	47,830,187	67,899,484
Mutual funds	2,555,034	14,067,466
Government and Government-guaranteed bonds	31,956,168	44,327,020
Corporate bonds	9,341,458	5,004,896
Treasury Bills (maturing in over 90 days)	4,043,147	2,208,717
	<u>95,725,994</u>	<u>133,507,583</u>

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

	2023	2022
	\$	\$
No specific maturity	50,385,221	81,966,952
Within 1 year	4,806,283	2,208,717
1 year to 5 years	29,764,224	38,333,856
Over 5 years	10,770,266	10,998,059
	<u>95,725,994</u>	<u>133,507,584</u>

The following table presents the fair value and the amount of change in the fair value of the company's financial assets as at and for the year ended March 31, 2023 and March 31, 2022, 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"):

	Total Value	2023			
		SPPI Financial Assets		Non-SPPI Financial Assets	
		Fair value	Change in fair value	Fair value	Change in fair value
\$	\$	\$	\$	\$	
Investments:					
Equity securities	47,830,187	-	-	47,830,187	776,721
Mutual funds	2,555,034	-	-	2,555,034	-
T-Bills (over 90 days)	4,043,147	4,043,147			
Government and Government-guaranteed bonds	31,956,168	31,956,168	(1,301,089)	-	-
Corporate bonds	9,341,458	9,341,458	(150,552)	-	-
	<u>95,725,994</u>	<u>45,340,773</u>	<u>(1,451,641)</u>	<u>50,385,221</u>	<u>776,721</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

8 Investment Securities (continued)

	Total Value	2022		Non-SPPI Financial Assets	
		SPPI Financial Assets		Fair value	Change in fair value
		Fair value	Change in fair value		
\$	\$	\$	\$	\$	
Investments:					
Equity securities	67,899,485	-	-	67,899,485	9,248,675
Mutual funds	14,067,466	-	-	14,067,466	832,572
Government and corporate bonds	45,062,495	45,062,495	(808,410)	-	-
Treasury bills	4,269,421	4,269,421	41,879	-	-
	2,208,717	2,208,717	-	-	-
	<u>133,507,583</u>	<u>51,540,633</u>	<u>(766,531)</u>	<u>81,966,951</u>	<u>- 10,081,247</u>

Credit risk

Credit Rating	2023		
	Carrying Value Amount	Fair Value	% of Fair Value
	\$	\$	\$
Bonds and asset securities			
AAA to AA3	263,689	-	
BAA	23,989,021	23,989,021	100
BA	1,529,933	1,529,933	100
Below BA	10,207,800	10,207,800	100
Not Rated	9,690,451	9,690,451	100
	<u>45,680,894</u>	<u>45,417,205</u>	
	2022		
Credit Rating	Carrying Value Amount	Fair Value	% of Fair Value
	\$	\$	\$
Bonds and asset securities			
BA	27,354,335	27,354,335	100
BA	8,413,202	8,413,202	100
Below BA	8,380,007	8,380,007	100
Not Rated	9,959,166	9,959,166	100
	<u>54,106,710</u>	<u>54,106,710</u>	

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

9 Taxation

	2023	2022
	\$	\$
<i>Income tax recognized in profit and loss</i>		
Corporation tax	2,642,106	777,703
Green fund levy	306,446	323,876
Prior year (over-provision)/under-provision of corporation tax	(383,795)	793,372
Deferred tax expense relating to the origination/ reversal of temporary differences	1,096,412	115,278
	<u>3,661,169</u>	<u>2,010,229</u>
<i>Reconciliation of effective tax rate</i>		
Profit before provision for taxation	17,676,049	25,861,224
Tax at the statutory rate of 30%	5,302,815	7,758,367
Difference in tax rates	609,144	290,364
Expenses not deductible for tax purposes	754,702	443,203
Income exempt from tax	(2,173,719)	(8,054,372)
Business Levy	371,880	340,141
Green Fund levy	306,446	323,876
Prior year over-provision of corporation tax	(841,085)	793,372
Prior year over-provision of deferred tax	(669,014)	115,278
	<u>3,661,169</u>	<u>2,010,229</u>
Tax charge for year/period	<u>3,661,169</u>	<u>2,010,229</u>
<i>Movement in the deferred tax liability (asset)</i>		
Balance at the beginning of the year/period	403,331	1,227,771
Charge (credit) to the statement of comprehensive income	1,095,685	(824,440)
Balance at the end of the year/period	<u>1,499,016</u>	<u>403,331</u>
<i>Composition of deferred tax liability (asset)</i>		
Property, plant and equipment and leases, net	2,015,920	2,096,520
Deferred Acquisition Cost (Restatement in 2021)	1,977,577	2,186,997
Right of Use Asset	(359,323)	(263,889)
Claims incurred but not reported	(1,407,972)	(1,963,007)
Loss Relief	(82,652)	(1,022,947)
Catastrophe Reserve	499,841	298,869
Other timing differences	(1,144,374)	(929,212)
	<u>1,499,017</u>	<u>403,331</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

10 Reinsurance Assets

	2023	2022
	\$	\$
Claims reported and IBNR (Note 15 (c))	23,461,808	27,979,576
Provision for unearned premiums (Note 15 (e))	55,620,694	47,818,921
Other items	(512,191)	(512,191)
	<u>78,570,311</u>	<u>75,286,306</u>

11 Accounts Receivables and Prepayments

	2023	2022
	\$	\$
Insurance receivables	36,452,440	22,409,260
Other receivables	6,811,385	2,829,659
Prepayments	834,562	686,808
	<u>44,098,387</u>	<u>25,925,727</u>

12 Due from Related Parties

	2023	2022
	\$	\$
Caribbean Premium Financing Company Limited	5,155	1,908,733
JN Group Limited (formerly Investment Managers Limited)	1,676,666	-
	<u>1,681,821</u>	<u>1,908,733</u>

Due to Related Parties

	2023	2022
	\$	\$
JN Group Limited	-	1,583,983
	<u>-</u>	<u>1,583,983</u>

All outstanding balances with the related parties are unsecured.

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

13 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at hand and in bank	20,102,233	11,397,265
Treasury bills maturing within 90 days	20,265,391	2,566,078
Money Market Funds	4,577,767	4,577,767
	<u>44,945,391</u>	<u>18,541,110</u>

14 Stated Capital

	2023	2022
	\$	\$
<i>Authorized</i>		
Unlimited number of ordinary and preference shares of no-par value		
<i>Issued and fully paid ordinary shares</i>		
11,666,666 shares of no-par value	<u>22,500,000</u>	<u>22,500,000</u>

In March 2023, TRINRE issued a call for capital in the sum of \$7,000,000 (seven million dollars), was received from JN Group Limited.

As at the date of these financial statements, no shares have been formally issued in respect of the capital call.

15 Insurance Liabilities

(a) *Analysis of insurance liabilities*

<u>Long term insurance contracts</u> (Note 15(b))	17,263,792	18,635,630
<u>Short term insurance contracts</u>		
Claims reported and loss adjustment expenses (Note 15(c))	31,598,009	37,212,625
Claims incurred but not reported (Note 15(c))	10,841,973	13,347,096
Unearned premiums (Note 15(e))	80,441,520	68,613,180
	<u>122,881,502</u>	<u>119,172,901</u>
Total insurance contracts liabilities	<u>140,145,294</u>	<u>137,808,531</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

15 Insurance Liabilities (continued)

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

Policy Class	Policies	2023				
		Annualized Premiums \$	Face Amount \$'0000	Negative Reserves \$	Statutory Reserves \$	Adjusted Reserves \$
Unit Trust Corporation (UTC) Benefit	4,120	43,572	22,563	(29,940)	106,465	136,405
Creditor Life	91,101	-	8,422,702	(33,426)	14,921,512	14,954,938
IBNR & Claims Reserve					1,371,479	1,371,479
Group Life	2,923	1,866,617	293,214	(303,337)	497,633	800,970
	98,144	1,910,189	8,738,479	(366,703)	16,897,089	17,263,792

Policy Class	Policies	2022				
		Annualized Premiums \$	Face Amount \$'0000	Negative Reserves \$	Statutory Reserves \$	Adjusted Reserves \$
Unit Trust Corporation (UTC) Benefit	4,407	48,148	24,160	(24,347)	66,497	90,844
Creditor Life	112,532	-	8,822,503	(90,263)	17,620,116	17,710,379
IBNR & Claims Reserve					-	-
Group Life	2,924	1,332,048	283,910	(256,946)	577,461	834,407
	119,863	1,380,196	9,130,573	(371,556)	18,264,074	18,635,630

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

	2023 \$	2022 \$
a) Actuarial liabilities:		
At the beginning of the year	18,635,630	25,120,781
Changes in actuarial model and assumptions	(1,929,440)	(6,531,244)
Normal changes in liabilities	557,602	46,093
At the end of the year	17,263,792	18,635,630

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

15 Insurance Liabilities (continued)

(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.

(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 Activities Net	
	2023	2022
	\$	\$
Policy related assumptions		
1% decrease in interest rates	245,081	237,347
10% increase in future mortality rates	975,035	899,816
10% decrease in future lapse rates	(96,856)	(87,976)
10% increase in future expense levels	178,911	248,734

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

15 Insurance Liabilities (continued)

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

		2023		
	Notes	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
Provision for claims reported by policyholders		31,598,009	17,635,277	13,962,732
Provision for claims incurred but not reported (IBNR)		10,841,973	5,826,530	5,015,442
Total claims reported and IBNR	15 (f)	42,439,982	23,461,808	18,978,174
Provision for unearned premiums	15 (e)	80,441,520	55,620,694	24,820,826
Total insurance contracts liabilities		<u>122,881,502</u>	<u>79,082,502</u>	<u>43,799,000</u>
		2022		
	Notes	Insurance Contracts Liabilities	Reinsurers' Share of Liabilities	Net
Provision for claims reported by policyholders		37,212,625	21,010,824	16,201,801
Provision for claims incurred but not reported (IBNR)		13,347,096	6,968,752	6,378,344
Total claims reported and IBNR	15 (f)	50,559,721	27,979,576	22,580,145
Provision for unearned premiums	15 (e)	68,613,180	47,818,922	20,794,258
Total insurance contracts liabilities		<u>119,172,901</u>	<u>75,798,498</u>	<u>43,374,403</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
YEAR ENDED MARCH 31, 2023

15 Insurance Liabilities (continued)

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

	Insurance Contract Liabilities	Reinsurer's Share of Liabilities	Net
	\$	\$	\$
At April 1, 2022	50,559,721	27,979,576	22,580,145
Claims incurred	27,247,559	16,873,771	10,373,788
Claims paid during the year	<u>(35,367,298)</u>	<u>(21,391,539)</u>	<u>(13,975,759)</u>
At March 31, 2023	<u>42,439,982</u>	<u>23,461,808</u>	<u>18,978,174</u>
At April 01, 2021	48,716,468	25,930,679	22,785,789
Claims incurred	27,748,133	14,131,255	13,616,878
Claims paid during the year	<u>(25,904,880)</u>	<u>(12,082,358)</u>	<u>(13,822,523)</u>
At March 31, 2022	<u>50,559,721</u>	<u>27,979,576</u>	<u>22,580,145</u>

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

	Insurance Contract Liabilities	Reinsurer's Share of Liabilities	Net
	\$	\$	\$
At April 1, 2022	<u>68,613,180</u>	<u>47,818,922</u>	<u>20,794,258</u>
Premium written in the year	119,985,705	86,671,647	33,314,058
Premium earned during the year	<u>(108,157,365)</u>	<u>(78,869,875)</u>	<u>(29,287,490)</u>
At March 31, 2023	<u>80,441,520</u>	<u>55,620,694</u>	<u>24,820,826</u>
At April 01, 2021	<u>55,403,587</u>	<u>38,807,837</u>	<u>16,595,750</u>
Premium written in the year	240,958,972	195,097,370	45,861,602
Premium earned during the year	<u>(227,749,379)</u>	<u>(186,086,285)</u>	<u>(41,663,094)</u>
At March 31, 2022	<u>68,613,180</u>	<u>47,818,922</u>	<u>20,794,258</u>

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

15 Insurance Liabilities (continued)

(f) Claims Development

Claims development information is disclosed in order to illustrate the insurance risk inherent in the company. 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								Total \$'000
	2015 \$'000	2016 \$'000	2017 \$'000	2019* \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	
Estimate of cumulative claims at end of accident year	17,360	12,411	14,021	13,471	11,756	12,368	8,700	11,734	
- one year later	18,457	14,679	16,326	14,327	14,155	8,493	11,751		
- two years later	19,960	15,404	17,509	16,923	14,942	9,854			
- three years later	20,686	15,383	17,517	17,077	14,595				
- four years later	20,867	15,491	18,470	15,388					
- five years later	25,214	16,330	19,084						
- six years later	29,484	16,543							
- seven years later	28,358								
Estimate of cumulative claims	28,358	16,543	19,084	15,388	14,595	8,431	10,043	11,734	124,176
Cumulative payments to date	(25,420)	(15,938)	(17,976)	(13,785)	(12,900)	(6,041)	(6,333)	(6,805)	(105,197)
Net outstanding claims liabilities	2,938	605	1,108	1,603	1,695	2,390	3,710	4,929	18,978

16 Borrowings

2023
\$

2022
\$

Revolving term loan from Scotiabank obtained to assist with the settlement of payables to reinsurers. Interest is currently charged at the annual rate of 5.75%.

7,500,000 1,200,000

7,500,000 1,200,000

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

17 Trade and Other Payables

	2023	2022
	\$	\$
Sundry creditors and accruals	16,812,729	11,930,970
Amounts due to reinsurers	14,271,156	23,431,215
	<u>31,083,885</u>	<u>35,362,185</u>

18 Net Results from Insurance Operations

	Non Life Insurance	Life Insurance	Total
	\$	\$	\$
<i>Year ended March 31, 2023</i>			
Gross premiums (excl. fronting)	150,999,823	18,147,953	169,147,776
Fronting premiums	11,391,817	-	11,391,817
Premium ceded to reinsurers	<u>(118,432,704)</u>	<u>(5,520,237)</u>	<u>(123,952,941)</u>
Net premiums	43,958,936	12,627,716	56,586,652
Change in unearned premium reserve	<u>(4,000,071)</u>	<u>-</u>	<u>(4,000,071)</u>
Earned premiums	39,958,865	12,627,716	52,586,581
Reinsurance commission income	<u>36,131,759</u>	<u>-</u>	<u>36,131,759</u>
Net underwriting revenue	76,090,624	12,627,716	88,718,340
Policy acquisition expenses	(17,451,902)	(85,665)	(17,537,567)
Net benefits and claims	<u>(10,764,257)</u>	<u>(5,863,880)</u>	<u>(16,628,137)</u>
Underwriting expense	<u>(28,216,159)</u>	<u>(5,949,545)</u>	<u>(34,165,704)</u>
Net results from insurance activities	<u>47,874,465</u>	<u>6,678,171</u>	<u>54,552,636</u>
<i>Year ended March 31, 2022</i>			
Gross premiums (excl. fronting)	115,976,220	16,531,384	132,507,603
Fronting premiums	92,886,884	15,564,485	108,451,369
Premium ceded to reinsurers	<u>(175,165,147)</u>	<u>(19,932,223)</u>	<u>(195,097,370)</u>
Net premiums	33,697,956	12,163,646	45,861,602
Change in unearned premium reserve	<u>(4,198,511)</u>	<u>-</u>	<u>(4,198,511)</u>
Earned premiums	29,499,445	12,163,646	41,663,091
Reinsurance commission income	<u>27,786,101</u>	<u>-</u>	<u>27,786,101</u>
Net underwriting revenue	57,285,546	12,163,646	69,449,192
Policy acquisition expenses	(13,842,688)	(834,084)	(14,676,772)
Net benefits and claims	<u>(12,036,709)</u>	<u>1,801,632</u>	<u>(10,235,077)</u>
Underwriting expense	<u>(25,879,397)</u>	<u>967,548</u>	<u>(24,911,849)</u>
Net results from insurance activities	<u>31,406,149</u>	<u>13,131,194</u>	<u>44,537,343</u>

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
 YEAR ENDED MARCH 31, 2023

19 Operating Expenses

	2023	2022
	\$	\$
Actuarial fees	182,589	235,757
Administrative fees	3,669,834	3,154,891
Advertising & promotions	1,911,120	1,384,719
Depreciation and amortization	2,037,609	2,075,724
Depreciation-right of use asset	4,115,458	3,698,260
Directors fees	390,446	332,142
Equipment rental	247,634	262,519
Management fees	251,062	1,054,369
Network and hardware maintenance	734,076	477,854
Occupancy expenses	1,909,430	1,755,741
Office expenses	380,865	270,093
Other expenses	3,885,799	3,104,259
Other staff costs	3,712,821	2,499,303
Professional fees	3,780,909	1,870,327
Repairs and maintenance	337,021	212,776
Roadside assistance	873,750	571,000
Salaries	11,993,847	11,332,526
Software development	450,378	548,054
Software license and upgrade	653,863	555,453
Staff welfare	345,534	664,681
	<u>41,864,045</u>	<u>36,060,448</u>
Finance Expenses		
Interest on lease liabilities	714,235	222,037
Service charges	349,741	52,417
Loan interest	286,872	173,070
	<u>1,350,848</u>	<u>447,524</u>

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

20 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 Group 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.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

20 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.

21 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.

21 Financial Instruments (continued)

Fair values (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.

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21 Financial Instruments (continued)

(ii) Investments (continued)

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

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.

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.

(a) Financial instruments measured at fair value

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<u>March 31, 2023</u>				
Investments at fair value through profit and loss	<u>48,825,487</u>	<u>46,560,386</u>	<u>340,121</u>	<u>95,725,994</u>
<u>March 31, 2022</u>				
Investments at fair value through profit and loss	<u>67,045,541</u>	<u>52,287,402</u>	-	<u>119,332,943</u>

Transfers between and movement in Levels

For the year ended March 31, 2023 there was no transfer of assets between and movement in Levels.

TRINRE INSURANCE COMPANY LTD

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22 Insurance & 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.

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22 Insurance & Risk Management (continued)

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.

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

Band	2023		
	Total Amount	Total Amount Reinsured	Total Amount Retained
	\$'000	\$'000	\$'000
0 – 250	6,939,388	4,538,948	2,400,440
251 – 500	464,325	324,782	139,543
501 – 1,000	83,698	67,252	16,447
1,001 – 3,000	52,377	48,336	4,041
3,001 and above	5,000	4,880	120
	<u>7,544,788</u>	<u>4,984,198</u>	<u>2,560,591</u>

Band	2022		
	Total Amount	Total Amount Reinsured	Total Amount Retained
	\$'000	\$'000	\$'000
0 – 250	7,295,401	5,004,076	2,291,325
251 – 500	682,331	506,080	176,251
501 – 1,000	70,620	62,462	8,158
1,001 – 3,000	43,782	40,086	3,696
3,001 and above	5,000	4,880	120
	<u>8,097,134</u>	<u>5,617,584</u>	<u>2,479,550</u>

22 Insurance & Risk Management (continued)

(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.

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 Group 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:

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
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22 Insurance & Risk Management (continued)

(d) Credit Risk (continued)

	Carrying Amounts	
	2023	2022
	\$	\$
At fair value through profit and loss investments	95,725,994	133,507,583
Accounts receivables:		
(i) Insurance receivables	36,452,440	22,409,260
(ii) Other receivables	7,645,947	3,516,467
Reinsurance assets	78,570,311	75,286,306
Cash and cash equivalents	44,945,391	18,541,110
	<u>263,340,083</u>	<u>253,260,726</u>

Exposure to Credit Risk

	March 31, 2023				
	A	BAA	BA	Not Rated	Total
	\$	\$	\$	\$	\$
Financial assets:					
Fair value through profit and loss investments	-	23,989,021	1,329,166	70,407,807	95,725,994
Cash	-	-	-	44,945,391	44,945,391
Reinsurance assets	78,570,311	-	-	-	78,570,311
Insurance and other receivables					
: Neither past due nor impaired	-	-	-	22,857,110	22,857,110
Past due but not impaired	-	-	-	21,308,599	21,308,599
Individually impaired	-	-	-	-	-
	<u>78,570,311</u>	<u>23,989,021</u>	<u>1,329,166</u>	<u>159,518,907</u>	<u>263,407,405</u>
Allowance for impairment	-	-	-	(67,322)	(67,322)
Carrying amount Note 11	<u>78,570,311</u>	<u>23,989,021</u>	<u>1,329,166</u>	<u>159,451,585</u>	<u>263,340,083</u>

TRINRE INSURANCE COMPANY LTD
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22 Insurance & Risk Management (continued)

(d) Credit Risk (continued)

Exposure to Credit Risk

	March 31, 2022				Total \$
	A \$	BAA \$	BA \$	Not Rated \$	
Financial assets:					
Fair value through profit and loss investments	-	27,563,284	12,886,522	93,057,778	133,507,583
Cash and cash equivalents	-	-	-	18,541,110	18,541,110
Reinsurance assets	75,286,306	-	-	-	75,286,306
Insurance and other receivables					
: Neither past due nor impaired	-	-	-	16,168,847	16,168,847
Past due but not impaired	-	-	-	9,756,880	9,756,880
Individually impaired	-	-	-	926,365	926,365
Gross amount	75,286,306	27,563,284	12,886,522	138,450,980	254,187,091
Allowance for impairment	-	-	-	(926,365)	(926,365)
Carrying amount Note 11	75,286,306	27,563,284	12,886,522	137,524,615	253,260,726

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
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22 Insurance & Risk Management (continued)

(d) *Credit Risk (continued)*

Impairment losses

The aging of receivables at the reporting date was:

	Gross 2023	Impairment 2023	Gross 2022	Impairment 2022
	\$	\$	\$	\$
Not past due	15,211,163	-	9,829,887	-
Past due 46 – 90 days	10,642,767	-	8,374,202	-
Past due 91 – 180 days	8,172,694	-	3,365,656	385,427
Past due 181 – 360 days	1,938,061	-	839,515	540,938
More than one year	555,077	67,322	-	-
	<u>36,519,762</u>	<u>67,322</u>	<u>22,409,260</u>	<u>926,365</u>

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

	2023	2022
	\$	\$
Balance at the beginning and end of the year/period	-	926,365

(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.

TRINRE INSURANCE COMPANY LTD
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22 Insurance & 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.

Insurance and Financial Liabilities as at March 31, 2023	Carrying Amount	No Stated Maturity	Within one year	Maturing between one to five years	Over five years
Bank overdraft	1,727,849	-	1,727,849	-	-
Borrowings	7,500,000	-	7,500,000	-	-
Insurance contracts	140,145,294	-	140,145,294	-	-
Accounts payable	31,083,885	-	31,083,885	-	-
Deferred tax liability	1,499,017	-	1,499,017	-	-
Taxation payable	2,621,809	-	2,621,809	-	-
	175,350,004	-	175,350,004	-	-

Reinsurance and Financial Assets as at March 31, 2023	Carrying Amount	No Stated Maturity	Within one year	Maturing between one to five years	Over five years
Investment securities	95,725,994	40,730,046	763,136	27,929,251	10,770,266
Investment property	18,076,762	18,076,762	-	-	-
Reinsurance assets	78,570,311	-	78,570,311	-	-
Accounts receivables	44,098,387	-	44,098,387	-	-
Due from related parties	1,681,821	-	1,681,821	-	-
Cash and cash equivalents	44,945,391	44,945,391	-	-	-
	283,098,666	103,752,199	125,113,655	27,929,251	10,770,266

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NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
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22 Insurance & Risk Management (continued)

(e) *Liquidity (continued)*

Management of liquidity risk (continued)

Insurance and Financial Liabilities as at March 31, 2022	Carrying Amount	No Stated Maturity	Within one year	Maturing between one to five years	Over five years
Bank overdraft	2,811,388	-	2,811,388	-	-
Borrowings	1,200,000	-	1,200,000	-	-
Insurance contracts	137,808,531	-	137,808,531	-	-
Accounts payable	35,362,185	-	35,362,185	-	-
Taxation payable	2,464,293	-	2,464,293	-	-
	<u>175,635,007</u>	<u>-</u>	<u>175,635,007</u>	<u>-</u>	<u>-</u>

Reinsurance and Financial Assets as at March 31, 2022

Investment securities	133,507,583	80,969,658	-	33,953,151	18,584,774
Investment property	13,627,368	13,627,368	-	-	-
Reinsurance assets	75,286,306	-	75,286,306	-	-
Accounts receivables	25,925,727	-	25,925,727	-	-
Due from related parties	1,908,733	-	1,908,733	-	-
Cash and cash equivalents	18,541,110	-	18,541,110	-	-
	<u>268,796,827</u>	<u>94,597,026</u>	<u>121,661,876</u>	<u>33,953,151</u>	<u>18,584,774</u>

(f) *Market Risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will adversely affect the fair value or future cash flows of financial instruments.

(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.

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
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22 Insurance & Risk Management (continued)

(f) *Market Risk (continued)*

(a) *Interest Rates (continued)*

Management of interest rate risk

The Investment Committee comprises 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	
	2023	2022
	\$	\$
Fixed rate instruments		
Treasury bills maturing in over 90 days	-	2,208,717
Cash and cash equivalents	20,265,391	2,566,078
Bonds	39,462,653	49,331,916
	<u>59,728,044</u>	<u>54,106,711</u>
Variable rate instruments		
Bonds	-	-
Cash and cash equivalents	24,680,000	15,975,032
	<u>24,680,000</u>	<u>15,975,032</u>

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

22 Insurance & Risk Management (continued)

(f) 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 2022.

	2023		2022	
	Effect of Profit		Effect of Profit	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Variable rate instrument	-	-	6,979	(6,979)

(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	TTS	GYD
<i>Net position of foreign currency at March 31, 2023:</i>				
Cash and investments	54,013,916	1,957,452	65,803,611	65,803,611
<i>Net position of foreign currency at March 31, 2022:</i>				
Cash and investments	11,482,221	182,512	63,178,885	229,535,552

TRINRE INSURANCE COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)
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22 Insurance & Risk Management (continued)

(f) *Market Risk (continued)*

(b) Foreign Currency (continued)

Exchange rates of one United States dollar to the Trinidad and Tobago dollar at year end was as follows:

	2023	2022
	\$	\$
United States dollar (USD)	6.748	6.758
EURO	7.499	7.811
GBP	8.543	9.173
GYD	0.033	0.032
JMD	0.044	0.043

Currency risk sensitivity analysis

A 5% (2019: 5%) weakening of the Trinidad dollar against the currencies held would have resulted in an additional credit (charge) to profit or loss by the amounts shown as follows:

	2023	2022
	\$	\$
Effects on profit (TT\$)	(1,808,936)	(4,387,229)

This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

22 Insurance & Risk Management (continued)

(g) *Price Risk (continued)*

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 Group's investment strategy is to maximise investment returns.

A 10% (2022:10%) increase or decrease in the bid price at the reporting date would cause an increase or an equal decrease respectively in equity of \$4,547,873 (2022: \$10,696,616).

(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 Group'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 Group's main regulator is the Central Bank of Trinidad and Tobago (CBTT) which monitors the capital requirements for the Group.

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.

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23 Related Parties Transactions

(a) *Identity of Related Party*

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

(b) *Related party transactions*

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

	2023	2022
	\$	\$
<u>Expenses</u>		
Management fees expense	1,012,500	1,012,500
Directors' fees	365,340	388,210
Advertising expense	405,000	405,000
	<u>1,782,840</u>	<u>1,805,710</u>
<u>Income</u>		
Insurance premium income	97,620	97,620
	<u>97,620</u>	<u>97,620</u>

(c) *Transactions with key management personnel*

The key management personnel compensation is as follows:

	2023	2022
	\$	\$
<i>Short-term employee benefits</i>		
Emoluments	<u>4,243,733</u>	<u>5,303,622</u>

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24 Dividends Paid

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

	2023	2022
	\$	\$
Final quarter dividend (prior year)	3,274,738	1,630,625
First quarter dividend	-	4,544,301
Second quarter dividend	535,340	2,159,770
Third quarter dividend	1,402,343	976,050
Fourth quarter dividend	2,778,964	2,202,325
	<u>7,991,385</u>	<u>11,513,071</u>

	Cents per share	
	2023	2022
	\$	\$
Final quarter dividend (previous year)	0.281	0.136
First quarter dividend	0.000	0.396
Second quarter dividend	0.046	0.185
Third quarter dividend	0.120	0.084
Fourth quarter dividend	<u>0.238</u>	<u>0.189</u>

25 Subsequent Events

The Group has evaluated events occurring after 31 March 2023, in order to assess and determine the need for potential recognition or disclosure in these consolidated financial statements. There were no such events which required such recognition or disclosure up to the date that these separate financial statements were available to be issued.

TRINRE INSURANCE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

YEAR ENDED MARCH 31, 2023

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets)*

A. **Estimated impact of the adoption of IFRS 17 and IFRS 9**

The Group will restate comparative information on adoption of IFRS 17 and IFRS 9. The Group has assessed the estimated impact that the initial application of IFRS 17 [see (B)] and IFRS 9 [see (C)] will have on its financial statements. Based on the measurement model selected and the assessments undertaken to date, an increase to the Group's equity of \$6,123,257 is expected because of the implementation of both standards.

B. **IFRS 17 Insurance Contracts**

IFRS 17 replaces IFRS 4 Insurance Contracts and became effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

i. Identifying contracts in the scope of IFRS 17

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

ii. Level of aggregation

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e., by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

ii. *Level of aggregation (continued)*

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing Group, it forms a new group to which future contracts may be added. Groups of reinsurance contracts are established such that each group comprises a single contract.

iii. *Contract boundaries*

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group does not expect that for any of its issued contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

Insurance contracts

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (insurance coverage). A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- The Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The Group primarily issues contracts for a coverage period of one year or less. It has issued contracts for mortgage indemnity and contractors all risks that are for coverage periods of more than twelve months. The contractors all risk policies that have a coverage period of more than one year contributes income that is not material to the financial statements.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Some of the Group's quota share reinsurance contracts cover underlying contracts issued within the annual term on a risk-attaching basis and provide unilateral rights to both the Group and the reinsurer to terminate the attachment of new underlying contracts at any time by giving three months' notice to the other party. Currently, the measurement of these reinsurance contracts generally aligns with that of the underlying contracts and considers only underlying contracts already ceded at the measurement date. However, under IFRS 17 cash flows arising from underlying contracts expected to be issued and ceded after the measurement date, in addition to those arising from underlying contracts already ceded, may be within the boundaries of the reinsurance contracts and may have to be considered and estimated in their measurement.

iv. Measurement – Overview

The Premium Allocation Approach (PAA) is an optional simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria.

The Group expects that it will apply the PAA to all contracts because the following criteria are expected to be met at inception.

- Insurance contracts and loss-occurring reinsurance contracts: The coverage period of each contract in the Group is one year or less.
- Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

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26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

On initial recognition of each group of general insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition. The Group will elect to recognise insurance acquisition cash flows as expenses when they are incurred. Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

The Group will recognise the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows will be discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

All cash flows will be discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

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26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

Impact assessment

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for general insurance contracts.

Changes from IFRS 4

Impact on Equity on transition to IFRS17

Under IFRS 17, the Company will discount the future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. The Company does not currently discount such future cash flows.

Increase

IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non- financial risk. This is not explicitly allowed for currently.

Decrease

The Group estimates that, on adoption of IFRS 17, the impact of these changes (before tax) is an increase in the Group's total equity of \$6,123,257 at 1 April 2023 and \$5,498,823 at 1 April 2022.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Reinsurance contracts

The Group will apply the same accounting policies to measure a group of reinsurance contracts, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises

- (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and
- (b) any discounting for the time value of money and
- (c) a risk adjustment for non-financial risk.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in the insurance service result in profit or loss.

The risk adjustment for non-financial risk will represent the amount of risk being transferred by the Group to the reinsurer.

Discount rates

The Group will generally determine risk-free discount rates using the observed yield curves government bond yields. To reflect the liquidity characteristics of the contracts, the risk-free yield curves will be adjusted by an illiquidity premium. Illiquidity premiums will generally be determined by comparing the spreads on corporate bonds with the costs of lending with matching critical terms for the same issuer.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Discount rates (continued)

The requirement to measure liabilities for insurance contracts using current discount rates will be a significant change from the Company's current practice as for its insurance contracts, does not currently discount future cash flows.

Risk adjustments for non-financial risk

Risk adjustments for non-financial risk will be determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. Given the short duration of the existing portfolio, an initial rate of 4.47% has been applied. Management will reassess this assumption during the financial year and adjust as necessary.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Group will apply these techniques both gross and net of reinsurance and derive the amount of risk being transferred to the reinsurer as the difference between the two results.

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26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Presentation and disclosure

IFRS 17 will significantly change how insurance contracts and reinsurance contracts are presented and disclosed in the Group's financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables will no longer be presented separately.

Under IFRS 17, amounts recognised in the statement of profit or loss are disaggregated into

- (a) an insurance service result, comprising insurance revenue and insurance service expenses; and
- (b) insurance finance income or expenses. Amounts from reinsurance contracts will be presented separately.

The separate presentation of underwriting and financial results under IFRS 17 and IFRS 9 will provide added transparency about the sources of profits and quality of earnings.

Insurance service result

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the passage of time for insurance contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period is in line with the Group's current practice.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Insurance service result (continued)

Expenses that relate directly to the fulfilment of contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

The Group will choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

Insurance finance income and expenses

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses.

The Group will present insurance finance income or expenses in profit or loss, considering that the supporting assets will generally be measured at FVTPL.

26 *The Adoption of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Assets) (continued)*

Disclosure

IFRS 17 requires extensive new disclosures about amounts recognised in the financial statements, including detailed reconciliations of contracts, effects of newly recognised contracts as well as disclosures about significant judgements made when applying IFRS 17. There will also be expanded disclosures about the nature and extent of risks from insurance contracts and reinsurance contract. Disclosures will generally be made at a more granular level than under IFRS 4, providing more transparent information for assessing the effects of contracts on the financial statements.

v. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 will be applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 April 2022 the Group will identify, recognise and measure each group of insurance contracts and reinsurance contracts as if IFRS 17 had always been applied.

