



The Beacon Insurance Company Limited and its Subsidiary

Summary Consolidated Statement of Financial Position As at June 30, 2023 (Expressed in Trinidad and Tobago Dollars)

Summary Consolidated Statement of Comprehensive Income Year ended June 30, 2023 (Expressed in Trinidad and Tobago Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
The Beacon Insurance Company Limited
and its Subsidiary

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as of June 30, 2023, and the summary consolidated statement of comprehensive income for the year then ended, are derived from the audited consolidated financial statements of The Beacon Insurance Company Limited and its Subsidiary (the "Group") for the year ended June 30, 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements in accordance with the Insurance Act.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated September 19, 2023.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the provisions of the Insurance Act.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



September 19, 2023
Port of Spain,
Trinidad and Tobago

	2023	2022
Assets		
Property, plant and equipment	35,998,942	22,619,648
Right of use asset	3,724,947	6,390,212
Retirement benefit asset	1,118,753	1,260,219
Financial assets		
– available for sale	143,595,015	143,435,850
– loans and receivables	123,619,360	96,964,461
Reinsurance assets	137,137,337	138,562,668
Deferred tax assets	15,331,780	2,807,241
Other assets	16,061,825	15,400,187
Taxation recoverable	4,827,535	4,680,700
Short term deposits	76,645,909	65,449,255
Cash and cash equivalents	229,522,871	234,774,073
Total assets	787,584,274	732,344,514

Shareholders' equity

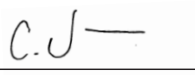
Stated capital	91,144,477	65,309,195
Catastrophe reserve	9,780,631	6,557,604
Fair value reserve	364,966	2,153,803
Foreign currency reserve	4,968,519	4,968,519
Retained earnings	85,729,032	78,248,927
Total shareholder's equity	191,987,625	157,238,048

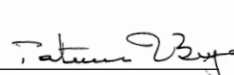
Liabilities

Insurance liabilities	345,703,627	342,287,218
Lease liability	3,939,791	6,592,592
Loan	18,009,701	-
Reinsurance payable	165,076,939	166,712,853
Trade and other payables	56,211,346	55,003,374
Deferred tax liabilities	1,729,473	2,171,780
Taxation payable	4,925,772	2,338,649
Total liabilities	595,596,649	575,106,466

Total shareholder's equity and liabilities	787,584,274	732,344,514
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On September 18, 2023, the Board of Directors of The Beacon Insurance Company Limited authorised these summary consolidated financial statements for issue.


Director


Director

	2023	2022
Insurance premium revenue	505,421,571	501,276,012
Insurance premium ceded to reinsurers	(203,857,619)	(224,080,802)
Net premium written	301,563,952	277,195,210
Change in gross unearned premium reserves	(2,244,148)	(10,251,777)
Change in unearned premium reserves due to reinsurers	(6,802,322)	(254,536)
Net insurance premium revenue	292,517,482	266,688,897
Investment income	17,403,602	10,383,303
Commissions received on reinsurance contracts	67,708,482	73,254,420
Net realised loss on financial assets	(244,427)	(301,131)
Foreign exchange gain	904,695	881,901
Net income	378,289,834	350,907,390

Insurance expenses on long term contracts	(155,730)	(530,151)
Insurance benefits/(expenses) on long term contracts recovered from reinsurers	1,091	(8,180)
Insurance claims and loss adjustment expenses	(264,040,780)	(241,415,251)
Insurance claims and loss adjustment expenses recovered from reinsurers	64,628,443	49,047,254
Net insurance benefits and claims	(199,566,976)	(192,906,328)
Expenses for the acquisition of insurance contracts	(62,082,234)	(63,579,531)
Other operating and administrative expense	(107,446,033)	(97,882,424)
Expenses	(369,095,243)	(354,368,283)

Profit/(loss) before taxation	9,194,591	(3,460,893)
Taxation credit/(charge)	1,743,746	(6,460,629)
Profit/(loss) for the year attributable to shareholders	10,938,337	(9,921,522)

Other comprehensive (loss)/income:

Items that may be reclassified to profit or loss

Net change in fair value on available for sale financial assets, net of tax	(1,788,837)	(1,167,395)
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Items that will not be reclassified to profit or loss

Remeasurements of defined benefit pension plan, net of tax	(21,154)	(287,251)
Effect of asset ceiling	(214,051)	228,879

Total other comprehensive loss for the year, net of taxation	(2,024,042)	(1,225,767)
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Total comprehensive income/(loss) for the year attributable to shareholders	8,914,295	(11,147,289)
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The Beacon Insurance Company Limited and its Subsidiary

Summary Consolidated Statement of Changes in Equity

Year ended June 30, 2023 (Expressed in Trinidad and Tobago Dollars)

	Stated Capital	Catastrophe reserve	Fair value reserve	Foreign currency reserve	Retained earnings	Total
Year ended June 30, 2023						
Balance as at July 1, 2022	65,309,195	6,557,604	2,153,803	4,968,519	78,248,927	157,238,048
Comprehensive income for the year						
Profit for the year attributable to shareholders	-	-	-	-	10,938,337	10,938,337
Net change in fair value on available for sale financial assets	-	-	(1,788,837)	-	-	(1,788,837)
Remeasurements of defined benefit pension plan	-	-	-	-	(235,205)	(235,205)
Total comprehensive (loss)/income	-	-	(1,788,837)	-	10,703,132	8,914,295
Contributed capital	25,835,282	-	-	-	-	25,835,282
Transfer to catastrophe reserve	-	3,223,027	-	-	(3,223,027)	-
Balance as at June 30, 2023	91,144,477	9,780,631	364,966	4,968,519	85,729,032	191,987,625
Year ended June 30, 2022						
Balance as at July 1, 2021	65,309,195	3,115,469	3,321,198	4,968,519	108,670,956	185,385,337
Comprehensive income for the year						
Loss for the year attributable to shareholders	-	-	-	-	(9,921,522)	(9,921,522)
Net change in fair value on available for sale financial assets	-	-	(1,167,395)	-	-	(1,167,395)
Remeasurements of defined benefit pension plan	-	-	-	-	(58,372)	(58,372)
Total comprehensive loss	-	-	(1,167,395)	-	(9,979,894)	(11,147,289)
Dividends paid	-	-	-	-	(17,000,000)	(17,000,000)
Transfer to catastrophe reserve	-	3,442,135	-	-	(3,442,135)	-
Balance as at June 30, 2022	65,309,195	6,557,604	2,153,803	4,968,519	78,248,927	157,238,048

Summary Consolidated Statement of Cash Flow

Year ended June 30, 2023 (Expressed in Trinidad and Tobago Dollars)

	2023	2022
Cash flows from operating activities		
Profit/(loss) before taxation	9,194,591	(3,460,893)
Adjustments for:		
Depreciation of property, plant and equipment and right of use assets	6,269,760	6,444,611
Change in retirement benefit asset	(93,739)	(31,499)
Loss on disposal of property, plant and equipment	135,651	20,388
Dividend income	(833,412)	(554,234)
Interest income	(13,442,814)	(6,731,955)
Interest expense on lease	421,224	593,472
Lease modifications/disposal	-	(495,603)
Impairment loss recognised	4,698,578	-
Foreign exchange gain	(904,695)	(881,901)
Loss on disposal of financial assets	244,427	301,131
	5,689,571	(4,796,483)
Net (increase) in loans and receivables	(26,654,899)	(8,010,959)
Net decrease/(increase) in reinsurance assets	1,425,331	(3,349,826)
Net (increase)/decrease in other assets	(3,276,471)	6,044,878
Net increase in short term deposits	(11,196,654)	(193,091)
Net increase in insurance liabilities	3,416,409	25,484,600
Net (decrease)/increase in reinsurance payable	(731,219)	27,355,339
Net increase in trade and other payables	1,207,972	1,670,649
Taxes paid, net of refunds	(8,018,364)	(6,990,851)
Net cash (used in)/provided by operating activities	(38,138,324)	37,214,256
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,935,952)	(3,762,047)
Proceeds from disposal of property, plant and equipment	297,197	71,668
Dividends received	833,412	554,234
Interest received	14,748,719	6,321,024
Purchase of available for sale financial assets	(19,912,366)	(65,064,533)
Proceeds from disposal of available for sale financial assets	13,565,839	19,325,595
Net cash used in investing activities	(7,403,151)	(42,554,059)
Cash flows from financing activities		
Capital contributed	25,835,282	-
Proceeds from loan	18,009,701	-
Lease payments	(3,554,710)	(3,551,775)
Dividends paid	-	(17,000,000)
Net cash flow used in financing activities	40,290,273	(20,551,775)
Decrease in cash and cash equivalents	(5,251,202)	(25,891,578)
Cash and cash equivalents at beginning of year	234,774,073	260,665,651
Cash and cash equivalents at end of year	229,522,871	234,774,073



Notes to the Summary Consolidated Financial Statements

Year ended June 30, 2023

(Expressed in Trinidad and Tobago Dollars)

1. Incorporation and business activities

The Beacon Insurance Company Limited (the "Company") was incorporated in the Republic of Trinidad and Tobago on April 6, 1995, and was continued under the Companies Act, 1995 on September 15, 1998. The Company is engaged in the underwriting of all classes of general insurance business, group business, annuities and term life insurance. Its registered office is located at 13 Stanmore Avenue, Port of Spain, Trinidad. The Company also operates branches and agencies in Barbados, Dominica, Grenada, St. Vincent, St. Kitts and St. Lucia.

The Company is a subsidiary of CGH Limited, which is also incorporated in the Republic of Trinidad and Tobago. The Company has a 100% owned subsidiary, North West Premium Finance Limited (the "Subsidiary"), with registered office located at 13 Stanmore Avenue, Port of Spain, Trinidad. The Subsidiary is primarily engaged in the provision of financing to policyholders for insurance premiums underwritten by the Company in Trinidad and Tobago. The Company and its Subsidiary are together referred to as the "Group".

2. Basis of preparation

These summary consolidated financial statements are prepared in accordance with the guidelines issued by the Central Bank of Trinidad & Tobago ("CBTT") in October 2022 and have been derived from the audited consolidated financial statements of the Group for the year ended June 30, 2023, that have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The external audit opinion issued on the Group was unmodified and the consolidated financial statements were prepared on the basis that the Group will continue to operate as a going concern.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the audited consolidated financial statements at June 30, 2023 and have been consistently applied from period to period. Any new or revised accounting standards or interpretations that are mandatory or have become effective in this financial year have been adopted. The areas of critical accounting estimates and judgment as disclosed in "Note 3" of the audited consolidated financial statements, have also remained unchanged.

All notes necessary for a fair presentation in accordance with IFRS have not been included in these summary consolidated financial statements. The disclosures in the notes to these summary consolidated financial statements are limited to those matters that were considered material and necessary to present a true and fair view of the performance of the Group.

The complete audited consolidated financial statements of the Group are available for viewing at any of its offices during normal business hours in accordance with section 152 (2) of the Insurance Act.

3. Functional and presentation currency

Items included in the summary consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The summary consolidated financial statements are presented in Trinidad and Tobago Dollars, which is the Group's functional and presentation currency.

4. Contingent liabilities

The Group has no contingent liabilities at June 30, 2023.

5. Related party balances and transactions

The Group has related party relationships with its shareholders, directors and executive officers. A number of transactions have been entered into with related parties in the normal course of business and are reflected in Note 23 in the audited consolidated financial statements.

6. Subsequent events

The Group did not have any subsequent events that required adjustment to or disclosure in these summary consolidated financial statements.