



# The Beacon Insurance Company Limited

## Summary Statement of Financial Position As at June 30, 2023

(Expressed in Trinidad and Tobago Dollars)

## Summary 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

#### Opinion

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

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

#### Summary Unconsolidated Financial Statements

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

#### The Audited Unconsolidated Financial Statements and Our Report Thereon

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

#### Management's Responsibility for the Summary Unconsolidated Financial Statements

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary unconsolidated financial statements are consistent, in all material respects, with the audited unconsolidated 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
<b>Assets</b>		
Property, plant and equipment	35,636,152	22,337,993
Right of use asset	2,530,254	4,896,846
Retirement benefit asset	1,118,753	1,260,219
Investment in subsidiary	11,115,495	11,115,495
Financial assets		
– available for sale	143,595,015	143,435,850
– loans and receivables	113,597,017	88,667,732
Reinsurance assets	137,137,337	138,562,668
Deferred tax assets	15,331,780	2,807,241
Other assets	15,873,994	15,540,036
Taxation recoverable	4,682,831	4,535,996
Short term deposits	75,893,589	65,449,255
Cash and cash equivalents	217,560,935	220,337,813
<b>Total assets</b>	<b>774,073,152</b>	<b>718,947,144</b>

#### 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	76,286,938	69,313,304
<b>Total shareholder's equity</b>	<b>182,545,531</b>	<b>148,302,425</b>

#### Liabilities

Insurance liabilities	345,703,627	342,287,218
Lease liability	2,676,989	5,057,464
Loan	18,009,701	-
Reinsurance payable	165,076,939	166,712,853
Trade and other payables	53,610,580	52,501,647
Deferred tax liabilities	1,691,443	2,138,100
Taxation payable	4,758,342	1,947,437
<b>Total liabilities</b>	<b>591,527,621</b>	<b>570,644,719</b>

<b>Total shareholder's equity and liabilities</b>	<b>774,073,152</b>	<b>718,947,144</b>
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On September 18, 2023, the Board of Directors of The Beacon Insurance Company Limited authorised these summary 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)
<b>Net insurance premium revenue</b>	<b>292,517,482</b>	<b>266,688,897</b>
Investment income	14,276,226	7,286,189
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
<b>Net Income</b>	<b>375,162,458</b>	<b>347,810,276</b>
Insurance expense on long term contracts	(155,730)	(530,151)
Insurance benefits/(expense) 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	(105,062,101)	(96,536,973)
<b>Expenses</b>	<b>(366,711,311)</b>	<b>(353,022,832)</b>
<b>Profit/(loss) before taxation</b>	<b>8,451,147</b>	<b>(5,212,556)</b>
Taxation credit/(charge)	1,980,719	(5,918,487)
<b>Profit/(loss) for the year attributable to shareholders</b>	<b>10,431,866</b>	<b>(11,131,043)</b>
<b>Other comprehensive (loss)/income:</b>		
<i>Items that may be reclassified to profit or loss</i>		
Net change in fair value on available for sale financial assets, net of tax	(1,788,837)	(1,167,395)
<i>Items that will not be reclassified to profit or loss</i>		
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)
<b>Total comprehensive income/(loss) for the year attributable to shareholders</b>	<b>8,407,824</b>	<b>(12,356,810)</b>

# The Beacon Insurance Company Limited

## Summary 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
<b>Year ended June 30, 2023</b>						
Balance as at July 1, 2022	65,309,195	6,557,604	2,153,803	4,968,519	69,313,304	148,302,425
<b>Comprehensive income for the year</b>						
Profit for the year attributable to shareholders	-	-	-	-	10,431,866	10,431,866
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)
<b>Total comprehensive (loss)/income</b>	-	-	<b>(1,788,837)</b>	-	<b>10,196,661</b>	<b>8,407,824</b>
Contributed capital	25,835,282	-	-	-	-	25,835,282
Transfer to catastrophe reserve	-	3,223,027	-	-	(3,223,027)	-
<b>Balance as at June 30, 2023</b>	<b>91,144,477</b>	<b>9,780,631</b>	<b>364,966</b>	<b>4,968,519</b>	<b>76,286,938</b>	<b>182,545,531</b>
<b>Year ended June 30, 2022</b>						
Balance as at July 1, 2021	65,309,195	3,115,469	3,321,198	4,968,519	100,944,854	177,659,235
<b>Comprehensive income for the year</b>						
Loss for the year attributable to shareholders	-	-	-	-	(11,131,043)	(11,131,043)
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)
<b>Total comprehensive loss</b>	-	-	<b>(1,167,395)</b>	-	<b>(11,189,415)</b>	<b>(12,356,810)</b>
Dividends paid	-	-	-	-	(17,000,000)	(17,000,000)
Transfer to catastrophe reserve	-	3,442,135	-	-	(3,442,135)	-
<b>Balance as at June 30th, 2023</b>	<b>65,309,195</b>	<b>6,557,604</b>	<b>2,153,803</b>	<b>4,968,519</b>	<b>69,313,304</b>	<b>148,302,425</b>

## Summary Statement of Cash Flows

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

	2023	2022
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	8,451,147	(5,212,556)
Adjustments for:		
Depreciation of property, plant and equipment and right of use assets	5,868,199	6,089,234
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 liability	338,770	495,603
Effect of lease modifications and disposal	-	(491,427)
Impairment loss recognised	4,698,578	-
Foreign exchange gain	(904,695)	(881,901)
Loss on disposal of financial assets	244,427	301,131
	<b>4,462,112</b>	<b>(6,997,216)</b>
Net (increase) in loans and receivables	(24,929,285)	(10,488,048)
Net decrease/(increase) in reinsurance assets	1,425,331	(3,349,826)
Net (increase)/decrease in other assets	(2,948,791)	5,790,743
Net increase in short term deposits	(10,444,334)	(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	1,108,933	2,188,761
Taxes paid	(7,561,959)	(6,772,947)
<b>Net cash (used in)/provided by operating activities</b>	<b>(36,202,803)</b>	<b>33,018,315</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(16,751,929)	(3,618,748)
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
<b>Net cash used in investing activities</b>	<b>(7,219,128)</b>	<b>(42,410,760)</b>
<b>Cash flows from financing activities</b>		
Capital contributed	25,835,282	-
Proceeds from loan	18,009,701	-
Dividends paid	-	(17,000,000)
Lease payments	(3,199,930)	(3,196,995)
<b>Net cash provided by/(used in) financing activities</b>	<b>40,645,053</b>	<b>(20,196,995)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(2,776,878)</b>	<b>(29,589,440)</b>
Cash and cash equivalents as at beginning of year	220,337,813	249,927,253
<b>Cash and cash equivalents as at end of year</b>	<b>217,560,935</b>	<b>220,337,813</b>



## Notes to the Summary 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.

### 2. Basis of preparation

These summary 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 financial statements of the Company 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 Company was unmodified and the financial statements were prepared on the basis that the Company will continue to operate as a going concern.

These summary financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the audited 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 financial statements, have also remained unchanged.

All notes necessary for a fair presentation in accordance with IFRS have not been included in these summary financial statements. The disclosures in the notes to these summary 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 Company.

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

### 4. Contingent liabilities

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

### 5. Related party balances and transactions

The Company has related party relationships with its shareholders, subsidiary, 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 financial statements.

### 6. Subsequent events

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