Bankers Insurance Company of Trinidad and Tobago Limited

Audited Financial Statements

For the year ended March 31, 2022

Bankers Insurance Company of Trinidad and Tobago Limited

Audited Financial Statements
For the year ended March 31, 2022
(Expressed in Trinidad and Tobago Dollars)

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Bankers Insurance Company of Trinidad and Tobago Limited

Statement of Management's Responsibilities

For the year ended March 31, 2022

(Expressed in Trinidad and Tobago Dollars)

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Bankers Insurance Company of Trinidad and Tobago Limited (the "Company") which comprise the statement of financial position as at March 31, 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company 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 the security of the Company's assets, detection/prevention of fraud, and the achievement of Company 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; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilised 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 the 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 Company 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 authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Chief Executive Officer	Accountant
June 29, 2022	June 29, 2022

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Trinidad and Tobago

Independent Auditor's Report

To the Shareholders of
Bankers Insurance Company of Trinidad and Tobago Limited

Opinion

We have audited the financial statements of Bankers Insurance Company of Trinidad and Tobago Limited (the "Company"), which comprise the statement of financial position as at March 31, 2022, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022, and of 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO

June 29, 2022

Port of Spain,
Trinidad, West Indies

Bankers Insurance Company of Trinidad and Tobago Limited

Statement of Financial Position
As at March 31, 2022
(Expressed in Trinidad and Tobago Dollars)

	Notes	2022	2021
Assets			
Non-current assets			
Intangible assets	4	4,001,817	4,045,719
Property and equipment	5	407,246	781,412
Deferred tax	7	4,049,815	4,015,397
Investment property	6	11,000,000	11,000,000
Investments	8	2,569,300	4,640,287
Total non-current assets		**22,028,178**	**24,482,815**
Current assets			
Investments	8	15,192,691	28,085,782
Reinsurance contract assets	10	10,645,901	13,742,650
Trade and other receivables	11	14,182,536	15,505,378
Cash and cash equivalents		37,022,042	28,104,673
Total current assets		**77,043,170**	**85,438,483**
Total assets		**$99,071,348**	**$109,921,298**
Equity and liabilities			
Equity			
Share capital	12	35,777,602	35,777,602
Revaluation reserve		(2,645,235)	(3,273,400)
Catastrophe reserve		202,608	202,608
Accumulated deficit		(4,487,481)	(5,291,757)
Total equity		**28,847,494**	**27,415,053**
Non-current liabilities			
Insurance contract liabilities	10	8,555,773	11,384,788
Lease liabilities	13	1,893,419	1,709,547
Borrowings	14	-	3,252,360
Total non-current liabilities		**10,449,192**	**16,346,695**
Current liabilities			
Insurance contract liabilities	10	49,524,966	50,926,277
Lease liabilities	13	1,482,900	1,400,375
Borrowings	14	-	483,371
Trade payables and accruals	15	8,766,796	13,349,527
Total current liabilities		**59,774,662**	**66,159,550**
Total liabilities		**70,223,854**	**82,506,245**
Total equity and liabilities		**$99,071,348**	**$109,921,298**

See accompanying notes to the financial statements.

On June 29, 2022, the directors of Bankers Insurance Company of Trinidad and Tobago Limited authorised these financial statements for issue.

Director

Ved P. Seereeram
Director

Bankers Insurance Company of Trinidad and Tobago Limited

Statement of Comprehensive Income
For the year ended March 31, 2022
(Expressed in Trinidad and Tobago Dollars)

	Notes	2022	2021
Income			
Insurance premium revenue		64,478,636	65,329,080
Insurance premium ceded to reinsurers		(16,695,805)	(28,927,846)
Net insurance premium revenue		**47,782,831**	**36,401,234**
Investment income		538,015	584,656
Commission income from reinsurance contracts		3,275,400	6,570,178
Other income		135,879	36,505
Gain on disposal of asset		102,864	21,516
Net income		**51,834,989**	**43,614,089**
Policyholders' expense			
Insurance claims and loss adjustment expense		(22,895,725)	(10,957,125)
Insurance claims and loss adjustment expense recovered from reinsurers		273,481	2,860,684
Total policyholders' expenses		**(22,622,244)**	**(8,096,441)**
Expenses			
Expenses for the acquisition of insurance contracts		(10,046,894)	(10,034,610)
Administrative expenses	16	(17,329,878)	(13,785,562)
Finance charges		(450,013)	(524,236)
Total expenses		**(27,826,785)**	**(24,344,408)**
Profit before taxation		1,385,960	11,173,240
Tax (charge)/credit	17	(581,684)	3,362,520
Profit for the year		**804,276**	**14,535,760**
Other comprehensive income			
Fair value loss on revaluation of investment property		-	(1,000,000)
Fair value gain on investment		628,165	526,600
Total comprehensive income		**$1,432,441**	**$14,062,360**

See accompanying notes to the financial statements.

Bankers Insurance Company of Trinidad and Tobago Limited

Statement of Changes in Equity
For the year ended March 31, 2022
(Expressed in Trinidad and Tobago Dollars)

	Share capital	Statutory surplus reserve	Investment property revaluation deficit	Unrealised gain/(loss) on Investment	Catastrophe reserve	Retained deficit	Total
Year ended March 31, 2022							
Balance as at April 1, 2021	35,777,602	-	(3,800,000)	526,600	202,608	(5,291,757)	27,415,053
Reclassification to catastrophe reserve	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	628,165	-	804,276	1,432,441
Balance as at March 31, 2022	**$35,777,602**	**$-**	**$(3,800,000)**	**$1,154,765**	**$202,608**	**$(4,487,481)**	**$28,847,494**
Year ended March 31, 2021							
Balance as at April 1, 2020	35,777,602	6,158,651	(2,800,000)	-	-	(25,783,560)	13,352,693
Reclassification to catastrophe reserve	-	-	-	-	202,608	(202,608)	-
Reclassification of statutory surplus reserve	-	(6,158,651)	-	-	-	6,158,651	-
Total comprehensive income/(loss)	-	-	(1,000,000)	526,600	-	14,535,760	14,062,360
Balance as at March 31, 2021	**$35,777,602**	**$-**	**$(3,800,000)**	**$526,600**	**$202,608**	**$(5,291,757)**	**$27,415,053**

See accompanying notes to the financial statements

Bankers Insurance Company of Trinidad and Tobago Limited

Statement of Cash Flows
For the year ended March 31, 2022
(Expressed in Trinidad and Tobago Dollars)

	2022	2021
Cash flows from operating activities		
Profit before taxation	1,385,959	11,173,240
Adjustments for:		
Depreciation and amortization	2,354,668	2,152,199
Bad debt recoveries	984,713	(2,947,748)
Bad debt written off	-	119,604
Gain on disposal of property and equipment and intangible assets	(102,864)	(21,516)
Fair value (gain)/loss on revaluation of investments	(8,180)	1,925
Capitalised interest	(266,940)	(376,933)
Interest expense	450,013	524,236
Operating gain before working capital changes	**4,797,369**	**10,625,007**
Decrease in reinsurance assets	3,096,749	4,496,217
Decrease/(increase) in trade and other receivables	338,130	(5,014,947)
Decrease in insurance contract liabilities	(4,230,326)	(13,459,980)
(Increase)/decrease in trade payables and accruals	(4,582,731)	6,453,184
Taxes paid	(616,102)	(652,877)
Net cash (used in)/provided by operating activities	**(1,196,911)**	**2,446,604**
Cash flows from investing activities		
Acquisition of property and equipment and intangible assets	(136,453)	(226,814)
Acquisition of investments	(8,998,602)	-
Proceeds from disposal of investments	24,968,828	15,300,000
Net cash provided by investing activities	**15,833,773**	**15,073,186**
Cash flows from financing activities		
Interest paid	(240,273)	(308,049)
Repayment of borrowings	(3,735,731)	(445,561)
Lease payments	(1,743,489)	(1,730,391)
Net cash used in financing activities	**(5,719,493)**	**(2,484,001)**
Increase in cash and cash equivalents	**8,917,369**	**15,035,789**
Cash and cash equivalents as at beginning of year	28,104,673	13,068,884
Cash and cash equivalents as at end of year	**$37,022,042**	**28,104,673**

See accompanying notes to the financial statements.

1. General Information

Bankers Insurance Company of Trinidad and Tobago Limited (the "Company") is a limited liability company incorporated in the Republic of Trinidad and Tobago on January 2, 1982. The Registered Office of the Company is #40 Main Road, Chaguanas, Trinidad and Tobago. Its principal activity is the underwriting of all classes of insurance business other than long-term insurance.

The Company is owned by the Hindu Credit Union Co-operative Society Limited ("HCU") (75.8%) and Aurora Investments (1996) Limited (24.2%). The HCU was put into liquidation on October 9, 2008. The HCU commenced proceedings to sell its shareholding in the Company by way of invitation for private bid placements. The approval of the sale and transfer of shares is subject to approval by the Central Bank of Trinidad and Tobago. As it is expected that operations will continue in the event of a sale of HCU's ownership, these financial statements have been prepared on the going concern basis.

2. Basis of Preparation

(a) Basis of accounting

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

(b) Basis of measurement

These financial statements have been prepared under the historical cost basis except for investment property, available for sale investment securities and financial assets at fair value through profit or loss, which are measured at fair value.

(c) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency unless otherwise stated.

(d) Use of critical estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year.

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 judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are identified below:

(i) Claims reported and loss adjustment expenses under short-term insurance contracts

The estimation of the liability arising from claims made under insurance contracts is one of the Company's accounting estimates.

2. Basis of Preparation (continued)

(d) Use of critical estimates and judgments (continued)

(i) Claims reported and loss adjustment expenses under short-term insurance contracts (continued)

There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. In estimating the liability for the outstanding claims, the Company considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. If this reserve was to increase by 5%, this would result in an increase in the insurance liabilities of $1,431,384 (2021: $1,762,233) and a fall in profit before tax of $1,431,384 (2021: $1,762,233).

(ii) Claims incurred but not reported

In estimating the ultimate liability arising from insurance contracts, the Company makes certain assumptions regarding claims arising during the current year which have not been reported as at the year-end. These estimates are based on historical experience as well as statistical analyses. If the value of claims reported after the year-end which related to the current year was to increase by 5% compared to management's estimate, this would result in an increase in the liabilities due under insurance contracts of $372,211 (2021: $490,183) and a fall in profit before tax of $372,211 (2021: $490,183).

(iii) Unearned premiums

The Company estimates at the end of each financial year the value of premium income billed during the year which has not been earned by the Company as at the year-end. These estimates are based on the inception dates of the policies as well as the types of policies being issued. If this reserve were to increase by 5%, this would result in an increase in the insurance liabilities of $1,093,012 (2021: $847,973) and a fall in profit before tax of $1,093,012 (2021: $847,973).

(iv) Impairment of loans and receivables

The Company assesses at the year-end whether its loans and receivables are impaired. Management reviews the ageing of these receivables as well as the creditworthiness of the debtors in estimating these impairment provisions. If the value of doubtful debts was to increase by 5% from management's estimate, this would result in an increase in the provision for doubtful debts and a fall in profit before tax by $148,460 (2021: $219,415).

(v) Estimation of fair values for investments

In estimating the fair values of investments, management utilizes various assumptions and valuation techniques such as discounted cash flow analyses and reference to recent prices of similar financial instruments for the valuation of its unquoted instruments. If the fair value were to increase by 5%, this would result in a movement in other comprehensive income of $324,873 (2021: $461,727) and a movement in profit for the year of $324,873 (2021: $461,727).

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all years presented in these financial statements unless otherwise stated.

(a) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency transactions are translated into foreign currency using the exchange prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in the foreign currencies are recognised in the profit or loss.

(b) Investment property

Investment properties are properties which are held either for capital appreciation or to earn rental income or both. Investment properties are stated at fair value. Investment properties are valued by an external professional valuer. External valuations occur at least once every three (3) years. Fair value is the amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction. Investment properties are derecognized when either their use has changed or it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from changes in the fair values are recognized in profit or loss in the period in which they arise.

(c) Property and equipment

(i) Owned assets

Property and equipment are stated at cost less accumulated depreciation and impairment losses. (See accounting policy 3 (e)).

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

(iii) Depreciation

Depreciation is calculated on a straight-line basis utilising rates sufficient to write off the assets over their estimated lives as follows:

Leasehold improvements	25%
Fixtures and equipment	25%
Motor vehicles	25%

Depreciation methods, residual values and useful lives are reviewed at each reporting date and adjusted, if appropriate.

(iv) Disposal

Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amount and are taken into account in determining operating profit.

3. Significant Accounting Policies (continued)

(d) Financial instruments

(i) Initial recognition, subsequent measurement and de-recognition

Financial assets, within the scope of IAS 39, are classified as financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets or held-to-maturity financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired or originated.

The Company initially recognises loans and receivables on the date that they originate. All other financial assets (including financial assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company has the following financial assets: cash and cash equivalents, debt securities, trade and other receivables and reinsurance contract assets.

(ii) Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss when the assets are managed and reported internally on a fair value basis, or the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. Upon initial recognition, transaction costs are recognised in the profit or loss as incurred.

Financial assets at fair value through profit or loss are subsequently measured at fair value based on last traded prices at the reporting date, and changes therein are recognised in the profit or loss. All related realised and unrealised gains and losses are included in the profit or loss. Interest earned whilst holding trading securities is reported as interest income.

(iii) Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has a positive intention and ability to hold to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

(iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

3. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

(v) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Company's investments in mutual funds are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see accounting policy note 3(e)(ii)), are recognized in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in the comprehensive income is transferred to the profit or loss.

(vi) Non-derivative financial liabilities

A financial instrument is classified as a financial liability if it is:

1. A contractual obligation to deliver cash or another asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the reporting entity; or
2. A contract that will or may be settled in the Company's own equity instruments under certain circumstances.

The Company has the following non-derivative financial liabilities: insurance contract liabilities, lease liabilities, borrowings and trade payables and accruals. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method.

The Company derecognises a financial liability when the contractual obligations are discharged or cancelled or expire.

(vii) Fair values

The fair value of financial assets is based on their quoted market price at the reporting date without any deduction for transaction costs. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access on that date.

If the market for a financial asset is not active and cannot be measured reliably, these financial assets are measured at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legally enforceable right to set off the amounts and it intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

3. Significant Accounting Policies (continued)

(e) Impairment of assets

(i) Financial assets at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or company of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becomes probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:
    - adverse changes in the payment status of issuers or debtors in the Company; or
    - national or local economic conditions that correlate with defaults on the assets in the Company.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss.

3. Significant Accounting Policies (continued)

(e) Impairment of assets (continued)

(i) Financial assets at amortised cost (continued)

If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the profit or loss.

(ii) Assets classified as available-for-sale

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of mutual fund investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. The cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss.

Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. If in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the other comprehensive income.

(iii) Impairment of other non-financial assets

The carrying amounts of the Company's non-financial assets 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.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised in the profit or loss unless the asset is recorded at a revalued amount in which case it is treated as a revaluation decrease in the statement of financial position.

(iv) Reversals of impairment

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 assets carrying amount do not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

3. Significant Accounting Policies (continued)

(f) Related parties

A party is related to the Company, if:

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

(a) is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);

(b) has a direct or indirect interest in the Company that gives it significant influence; or

(c) has joint control over the Company;

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

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

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

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

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

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

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

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

(g) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

3. Significant Accounting Policies (continued)

(g) Taxation (continued)

Deferred tax (continued)

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset in the statement of financial position if the Company has a legal right to settle current tax amounts on a net basis and the deferred amounts are levied by the same taxing authority.

(h) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less from the acquisition date and subject to insignificant risks of change in value. These are shown at cost.

(i) Catastrophe reserve

As per Section 44 of the Insurance Act, 2018 of Trinidad and Tobago, since the Company carry on property insurance business, it is required to establish and maintain a Catastrophe Reserve Fund. At the end of each financial year, the Company makes an appropriation from its retained earnings to the Catastrophe Reserve Fund an amount not less than twenty per cent of its net written premium income on its property insurance business for that year unless the Catastrophe Reserve Fund is equal to, or exceeds the net written premium income on the insurer's property insurance business for that year.

(j) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

3. Significant Accounting Policies (continued)

(k) Insurance contracts

(i) Classification

Insurance contracts

Insurance contracts are defined as those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. 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

Investment contracts are those contracts that transfer financial risks with no significant insurance risk. All contracts held by the Company as at March 31, 2021, have been classified as insurance contracts.

(ii) Recognition and measurement

The Company classifies all its insurance contracts as short-term insurance contracts. These contracts are principally property, motor, casualty (employers' liability, public liability) and marine.

Property insurance contracts indemnify the Company's customers in the event of a loss from a specified insured peril such as fire, or earthquake (not limited to these perils) up to the insured amount and within the terms of the policy conditions.

These contracts are issued for both private and commercial risks. Customers who undertake commercial activities on their premiums could also receive compensation for consequential loss business interruption caused by the insured perils.

Motor insurance contracts indemnify the Company's customers for their legal requirements under the Country's Road Traffic Act which in certain instances stipulate unlimited coverage for third-party liability. These contracts may be extended for additional coverage such as physical damage, theft and personal accident.

(a) Provision for unearned premiums

Provision for unearned premiums represents the proportions of premiums written in the year, less reinsurance thereon, which relate to periods of insurance subsequent to the reporting date. Provision for unearned premiums has been calculated on a monthly pro-rata fractional basis using the 24^{th} method.

(b) Provision for unexpired risks

Provision for unexpired risks represents amounts set aside at the end of the year in respect of subsequent risks to be borne by the Company under contracts of insurance in force at the end of the year and have been computed as a percentage of the provision for unearned premiums at the end of the year as follows:

Motor	0%
Bonds	100%
Property	50%
Marine	50%
Liability	0 – 50%

3. Significant Accounting Policies (continued)

(k) Insurance contracts (continued)

(ii) Recognition and measurement

(c) Provision for outstanding claims

Outstanding claims comprise the estimated cost of all claims incurred (including an unallocated loss adjustment expense) but not settled at the reporting date, less reinsurance recoveries. Provision is also made for claims incurred but not reported until after the reporting date. The difference between the provisions for outstanding claims and subsequent revisions and settlements is included in the profit or loss in later years.

(d) Benefits and claims

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 Company considers any information available from adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provision is made for claims incurred but not reported until after the reporting date.

Differences between the provisions for outstanding claims and subsequent revisions and settlement are included in the profit or loss 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 Company, 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.

(iii) Reinsurance contracts held

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets.

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. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. 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 company may not receive all amounts due to it under the terms of the contract and that this can be measured reliably.

3. Significant Accounting Policies (continued)

(k) Insurance contracts (continued)

(iv) Receivables and payables related to insurance contracts

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 profit or loss.

(l) Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

(m) 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

Commission income consists primarily of reinsurance and profit commissions. Commissions receivable and payable are charged in full to the profit or loss. Adjustments arising from subsequent cancellations and endorsements are accounted for as they occur.

Investment income

Interest income is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability and is not revised subsequently. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instrument, but not the future credit losses.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset.

Interest income is recognised on an accrual basis in the period in which it is due.

3. Significant Accounting Policies (continued)

(n) Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from the use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from the use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

3. Significant Accounting Policies (continued)

(n) Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which is discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights of use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

(o) Dividends

Dividends that are declared during the period are accounted for as an appropriation to retained earnings in the statement of changes of equity. Dividends that are declared after the reporting date are not shown on the statement of financial position but are disclosed as a note to the financial statements.

3. Significant Accounting Policies (continued)

(p) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended March 31, 2021, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company, except the following:

- ***IFRS 9, Financial Instruments***

  IFRS 9, *Financial Instruments,* (IFRS9) 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.

  The Company has decided to defer the implementation of IFRS 9 until the earlier of the effective date of a new insurance standard in 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.

  The Company's activities are predominantly connected with insurance as the carrying amount of its liabilities arising from contracts within the scope of IFRS 4, *Insurance Contracts* is significant compared to the total carrying amount of all its liabilities.

- ***IFRS 17, Insurance Contracts***

  IFRS 17, *Insurance Contracts*, which is effective for annual reporting periods beginning on or after January 1, 2023, introduces a new measurement model for insurance contracts, the general measurement model (GMM) which is based on a fulfilment objective and uses current assumptions. The standards introduce a single, revenue recognition principle to affect services provided and is modified for certain contracts. The Company is assessing the impact that this standard will have on its 2023 financial statements.

- ***Amendments to IAS 1***

  In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted

4. Intangible assets

	Right of use asset	Work in progress	Software	Total
Year ended March 31, 2022				
Cost				
Balance as at April 1, 2021	5,642,976	-	1,970,613	7,613,589
Additions	1,800,146	-	38,000	1,838,146
Disposal	(891,518)	-	-	(891,518)
Balance as at March 31, 2022	6,551,604	-	2,008,613	8,560,217
Accumulated amortization				
Balance as at April 1, 2021	(2,715,524)	-	(852,346)	(3,567,870)
Amortization charge	(1,468,694)	-	(413,354)	(1,882,048)
Disposal	891,518	-	-	891,518
Balance as at March 31, 2022	(3,292,700)	-	(1,265,700)	(4,558,400)
Net book value as at March 31,2021	**$3,258,904**	**-**	**$742,913**	**$4,001,817**

	Right of use asset	Work in progress	Software	Total
Year ended March 31, 2021				
Cost				
Balance as at April 1, 2020	6,503,583	720,000	1,200,613	8,424,196
Additions	-	-	50,000	50,000
Transfers	-	(720,000)	720,000	-
Disposal	(860,607)	-	-	(860,607)
Balance as at March 31, 2021	5,642,976	-	1,970,613	7,613,589
Accumulated amortization				
Balance as at April 1, 2020	(1,586,450)	-	(537,477)	(2,123,927)
Amortization charge	(1,550,221)		(314,869)	(1,865,090)
Disposal	421,147	-	-	421,147
Balance as at March 31, 2021	(2,715,524)	-	(852,346)	(3,567,870)
Net book value as at March 31,2021	**$2,927,452**	**$-**	**$1,118,267**	**$4,045,719**

5. Property and Equipment

	Leasehold improvements	Fixtures and Equipment	Motor Vehicles	Total
Year ended March 31, 2022				
Cost				
Balance as at April 1, 2021	1,370,464	5,694,378	846,670	7,911,512
Additions	-	98,453	-	98,453
Balance as at March 31, 2022	1,370,464	5,792,831	846,670	8,009,965
Accumulated depreciation				
Balance as at April 1, 2021	(1,150,527)	(5,155,510)	(824,063)	(7,130,100)
Depreciation charge	(113,615)	(336,402)	(22,603)	(472,620)
Balance as at March 31, 2022	(1,264,142)	(5,491,912)	(846,666)	(7,602,720)
Net book value as at March 31, 2022	**$106,322**	**$300,919**	**$4**	**$407,245**

	Leasehold improvements	Fixtures and Equipment	Motor Vehicles	Total
Year ended March 31, 2021				
Cost				
Cost				
Balance as at April 1, 2020	1,345,789	5,542,240	846,670	7,734,699
Additions	24,675	152,138	-	176,813
Balance as at March 31, 2021	1,370,464	5,694,378	846,670	7,911,512
Accumulated depreciation				
Balance as at April 1, 2020	(983,434)	(5,142,151)	(717,406)	(6,842,991)
Depreciation charge	(167,093)	(13,359)	(106,657)	(287,109)
Balance as at March 31, 2021	(1,150,527)	(5,155,510)	(824,063)	(7,130,100)
Net book value as at March 31, 2021	**$219,937**	**$538,868**	**$22,607**	**$781,412**

6. Investment Property

Investment property represents a property situated at 177 Tragarete Road, Port of Spain. The valuation was prepared on the basis of market value in accordance with the International Valuation Standards as per Note 21(b). The independent valuation of the property was done on March 31, 2021.

The investment property is principally held for capital appreciation and the Company does not earn rental income from its investment property. Direct operating expenses incurred for the year on the investment property were nil (2021: nil).

During the year ended March 31, 2022, there was nil movement in the market value (2021: $1,000,000) of investment property.

7. Deferred Tax Asset

	2022	2021
Balance as at April 1	4,015,397	-
Deferred tax credit	34,418	4,015,397
Balance as at March 31	**$4,049,815**	**$4,015,397**

The deferred tax assets represent unused tax losses that are carried forward to be set off against future chargeable income.

8. Investments

	2022	2021
Available for sale financial assets		
Unit Trust Corporation Income and Growth Fund	3,928,165	6,673,426
Financial assets at fair value through profit or loss		
Government of the Republic Bank of Trinidad and Tobago 15-year bond series due 2027	507,300	506,920
Government of the Republic Bank of Trinidad and Tobago Bond Series due 2028	2,062,000	2,054,200
	2,569,300	2,561,120
Held to Maturity financial assets		
JMMB Bank Trinidad and Tobago Limited		
- Fixed Deposit @ 1.8 -2.1%	-	21,412,356
- Fixed Deposit @ 2.5%	2,128,619	2,079,167
- Fixed Deposit @ 3.1%	4,024,460	-
- Fixed-Rate Note	5,111,447	-
	11,264,526	23,491,523
	$17,761,991	**$32,726,069**

The investments designated at fair value through profit or loss are debt securities that otherwise would have been classified as held to maturity financial assets. The fair value of held-to-maturity financial assets at March 31, 2022 is $11,264,526 (2021: $23,491,523).

The Company's exposure to credit, currency and interest rate risks related to investments is disclosed in Note 18.

9. Related Party

(a) Identity of related party

The Company has a related party relationship with its parent, other affiliated companies, directors and key management personnel.

(b) Related party transactions

The Company is a subsidiary of the Hindu Credit Union Co-operative Society Limited (the "Parent Company"). The Parent Company is currently in liquidation and an impairment provision has been made for a full balance owed by them.

	2022	2021
Due from Parent Company		
Balances due from Parent Company	13,682,92	10,795,005
Provision for impairment	(13,682,92)	(10,795,005)
	$-	**$-**

9. Related Party (continued)

(c) Transactions with key management personnel and directors

Key management personnel and directors' compensation:

	2022	2021
Short-term employee benefits	1,673,862	1,235,564
Directors' fees	458,334	514,504
	$2,132,196	**$1,750,068**

10. Insurance Contracts Liabilities

	2022	2021
Claims reported and loss adjustment expenses	27,516,129	33,663,539
Unallocated Loss Adjustment Expense	1,111,553	1,581,127
Claims incurred but not reported	7,444,220	9,803,660
Total insurance claims liability – gross	36,071,902	45,048,326
Unearned premiums	21,860,234	16,959,464
Unexpired risk provision	148,603	303,275
Total unearned premiums and unexpired risk provision – gross	22,008,837	17,262,739
Total insurance claims liability – gross	**58,080,739**	**62,311,065**
Recoverable from reinsurers		
Claims reported and loss adjustment expenses	10,645,901	13,742,650
Total insurance claims recoverable	**10,645,901**	**13,742,650**
Insurance liabilities - net		
Claims reported and loss adjustment expenses	16,870,229	19,920,889
Unallocated Loss Adjustment Expense	1,111,553	1,581,127
Claims incurred but not reported	7,444,220	9,803,660
Total insurance claims liability	25,426,002	31,305,676
Unearned premiums	21,860,234	16,959,464
Unexpired risks provision	148,603	303,275
Unearned premiums and unexpired risks provision	22,008,837	17,262,739
Total insurance liabilities - net	**$47,434,838**	**$48,568,415**

10. Insurance Contracts Liabilities (continued)

(a) Concentrations of underwriting risks

The carrying amounts of the Company's insurance contracts are analysed by the type of product below. Management of underwriting risk is described in Note 18.

	2022	2021
Provision for outstanding claims		
Property	598,044	298,825
Motor	27,466,069	34,458,551
Liability	3,105,555	4,671,986
Bonds	4,875,026	5,591,756
Marine	27,208	27,208
	36,071,902	45,048,326
Provision for unearned premium		
Property	180,672	(126,576)
Motor	19,928,999	15,226,612
Liability	1,653,063	1,762,081
Bonds	95,168	94,255
Marine	2,332	3,092
	21,860,234	16,959,464
Unexpired risk reserve		
Property	90,336	140,041
Motor	-	-
Liability	-	53,995
Bonds	57,101	107,693
Marine	1,166	1,546
	148,603	303,275
Total	**$58,080,739**	**$62,311,065**
Current liabilities	49,524,966	50,926,277
Non-current liabilities	8,555,773	11,384,788
	$58,080,739	**$62,311,065**

(b) Movements in carrying amount

The following reconciliations below show the net carrying amounts of insurance and reinsurance contracts charged during the year as a result of cash flows and amounts recognised in the statement of comprehensive income.

The Company presents a table that separately analyses movement in the liabilities for remaining coverage and movements in the liability for insured claims and reconciles these movements to the line items in the statement of comprehensive income.

10. Insurance Contracts Liabilities (continued)

(b) Movements in carrying amount (continued)

Year ended March 31, 2022	Gross	Reinsurance	Net
Notified claims	35,244,666	13,742,650	21,502,016
Incurred but not reported	9,803,660	-	9,803,660
Total at beginning of year	45,048,326	13,742,650	31,305,676
Cash paid for claims settled in year	(30,526,316)	(6,497,013)	(24,029,302)
Increase/(decrease) in liabilities			
- arising from current year claims	22,503,438	2,002,078	20,501,360
- arising from prior year claims	(953,546)	1,398,186	(2,351,732)
Total at end of year	**36,071,902**	**10,645,901**	**25,426,002**
Notified claims	28,627,682	10,645,901	17,981,782
Incurred but not reported	7,444,220	-	7,444,220
Total at end of year	**$36,071,902**	**$10,645,901**	**$25,426,002**

Year ended March 31, 2021	Gross	Reinsurance	Net
Notified claims	42,827,130	18,238,867	24,588,263
Incurred but not reported	11,523,000	-	11,523,000
Total at beginning of year	54,350,130	18,238,867	36,111,263
Cash paid for claims settled in year	(23,721,232)	(7,519,888)	(16,201,344)
Increase/(decrease) in liabilities			
- arising from current year claims	20,148,110	3,295,595	16,852,515
- arising from prior year claims	(5,728,682)	(271,924)	(5,456,758)
Total at end of year	**$45,048,326**	**$13,742,650**	**$31,305,676**
Notified claims	35,244,666	13,742,650	21,502,016
Incurred but not reported	9,803,660	-	9,803,660
Total at end of year	**$45,048,326**	**$13,742,650**	**$31,305,676**

Provisions for unearned premiums and unexpired short-term risks

Year ended March 31, 2022:	**Net**
Unearned premium provision	
At beginning of year	16,959,464
Increase in the year	21,860,234
Release in the year	(16,959,464)
At end of year	**$21,860,234**
Unexpired risk	
At beginning of year	303,275
Increase in the year	148,603
Release in the year	(303,275)
At end of year	**$148,603**

10. Insurance Contracts Liabilities (continued)

(b) Movements in carrying amount (continued)

Provisions for unearned premiums and unexpired short-term risks (continued)

Year ended March 31, 2021:

	Net
Unearned premium provision	
At beginning of year	19,473,560
Increase in the year	16,959,464
Release in the year	(19,473,560)
At end of year	**$16,959,464**
Unexpired risk	
At beginning of year	1,947,355
Increase in the year	303,275
Release in the year	(1,947,355)
At end of year	**$303,275**

Claims incurred less amounts recovered from reinsurers

	2022	**2021**
Claims incurred	25,255,165	12,676,465
Increase/(decrease) in Incurred But Not Reported	(2,359,440)	(1,719,340)
Recovery from reinsurer	(273,481)	(2,860,684)
	$22,622,244	**$8,096,441**

(c) Non-life claims development

The table on the next page illustrates how estimates of cumulative claims for the Company's insurance contracts have developed over time on a gross and net of reinsurance basis.

10. Insurance Contracts Liabilities (continued)

(c) Non-life claims development (continued)

Each table shows how the Company's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position.

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Gross of reinsurance						
Estimates of undiscounted gross cumulative claims						
At the end of accident year	25,547	27,309	30,556	20,148	22,503	
One year later	30,532	29,359	27,553	20,569	-	
Two years later	30,440	27,614	28,138	-	-	
Three years later	29,741	27,141	-	-	-	
Four years later	28,255	-	-	-	-	
Estimate of cumulative claims	28,255	27,141	28,138	20,569	22,503	
Cumulative gross claims paid	(24,483)	(24,059)	(23,038)	(15,502)	(11,757)	
Gross liabilities – accident years from 2018 to 2022	3,772	3,082	5,100	5,067	10,764	27,767
Gross liabilities– accident years before 2018						8,305
Gross liabilities for incurred claims included in the statement of financial position						**$36,072**

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	Total $'000
Net of reinsurance						
Estimates of undiscounted net cumulative claims						
At the end of accident year	14,630	17,039	23,532	16,853	20,501	
One year later	16,559	17,011	19,958	15,765	-	
Two years later	15,916	15,595	20,046	-	-	
Three years later	15,301	15,172	-	-	-	
Four years later	14,366	-	-	-	-	
Estimate of cumulative claims	14,366	15,172	20,046	15,765	20,051	
Cumulative net claims paid	(12,349)	(13,410)	(16,263)	(11,482)	(10,668)	
Net liabilities - accident years from 2018 to 2022	2,017	1,762	3,783	4,283	9,833	21,677
Net liabilities– accident years before 2018						3,749
Net liabilities for incurred claims included in the statement of financial position						**$25,426**

10. Insurance Contracts Liabilities (continued)

(d) Significant judgements and estimates

The Company estimates the ultimate cost of settling claims incurred but unpaid at the reporting date and the value of salvage and other expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter Ferguson methods. These techniques assume the Company's own claims experience is indicative of the future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for the Motor and Bond lines of business. Other smaller lines with similar historic claims development patterns are grouped together.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

11. Trade and Other Receivables

	2022	**2021**
Trade receivables	9,291,182	10,884,840
Provision for impairment	(1,625,878)	(3,230,175)
	7,665,304	7,654,665
Other receivables	7,714,050	8,718,447
Investment income receivable	146,510	290,406
Provision for impairment	(1,343,328)	(1,158,140)
	6,517,231	**7,850,713**
	$14,182,536	**$15,505,378**

The movement in the provision for impairment of trade and other receivables is as follows:

	Trade Receivables	**Other Receivables**	**Total**
Balance at April 1, 2021	3,230,175	1,158,140	4,388,315
Bad Debts Written Off	(2,403,822)	-	(2,403,822)
Increase in provision	799,525	185,188	984,713
Balance at March 31, 2022	**$1,625,878**	**$1,343,328**	**$2,969,206**

	Trade Receivables	**Other Receivables**	**Total**
Balance at April 1, 2020	5,766,346	6,554,042	12,320,388
Bad Debts Written Off	(3,443,801)	-	(3,443,801)
Recoveries	(1,540,524)	(5,672,253)	(7,212,777)
Increase in provision	2,448,154	276,351	2,724,505
Balance at March 31, 2021	**$3,230,175**	**$1,158,140**	**$4,388,315**

11. Trade and Other Receivables (continued)

The ageing of trade receivables at year-end was as follows:

As at year-end March 31, 2022	**Gross**	**Impairment**
0-20 Days	2,253,402	-
20-45 Days	1,188,007	88,407
45- 60 Days	794,834	119,522
60- 120 Days	2,459,325	249,878
Over 120 days	2,595,614	1,168,072
	$9,291,182	**1,625,878**

As at year end March 31, 2021	**Gross**	**Impairment**
0-20 Days	1,147,146	6,057
20-45 Days	1,332,539	9,749
45- 60 Days	521,717	16,127
60- 120 Days	1,780,996	765,346
Over 120 days	6,102,442	2,432,896
	$10,884,840	**$3,230,175**

12. Share Capital

	2022	**2021**
Authorised		
Unlimited ordinary shares of no par value		
Unlimited redeemable preference shares of no par value		
Issued and fully paid		
14,441,356 (2021: 14,441,356) ordinary shares of no par value	**$35,777,602**	**$35,777,602**

13. Leases

	Office premises	**Office premises**
Lease Liability	**2022**	**2021**
Lease liability as at April 1, 2020	3,109,922	5,063,585
Additions	1,800,146	-
Disposals	-	(439,459)
Interest expense	209,740	216,187
Lease payments	(1,743,489)	(1,730,391)
Lease liability as at March 31, 2021	**$3,376,319**	**$3,109,922**

	up to 3 months	**Between 3 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Lease liabilities						
As at March 31, 2022	**$363,642**	**$1,119,258**	**$1,281,569**	**$611,850**	**$ -**	**$3,376,319**
Lease liabilities						
As at March 31, 2021	**$343,405**	**$1,056,970**	**$1,031,379**	**$678,168**	**$ -**	**$3,109,922**

14. Borrowings

The Company obtained a loan of $5,250,000 from JMMB Bank (T&T) Limited (JMMB) to finance the acquisition of a property. Amounts held as security included a fixed deposit held at JMMB of $5,250,000. Interest was charged at the annual rate of 7.75% per annum. During the financial year, the loan was fully repaid.

	2022	2021
Short-term portion	-	483,371
Long term portion	-	3,252,360
	-	**$3,735,731**

15. Trade Payables and Accruals

	2022	2021
Accounts payable and accruals	1,195,982	1,161,422
Due to re-insurers	7,570,814	12,188,105
	$8,766,796	**$13,349,527**

16. Administrative Expenses

	2022	2021
Advertising	303,696	258,319
Bad debt written off	-	119,604
CBTT supervisory fees	106,777	25,000
Customer appreciation	4,280	16,206
Depreciation and amortization	2,354,668	2,152,199
Directors fees	458,334	514,504
Donations	3,750	7,450
Electricity	87,604	123,096
Fair value loss	-	1,925
Insurance	201,218	167,508
Interest and bank charges	171,000	665,159
Legal and professional fees	966,426	2,041,036
Motor vehicle expenses	86,005	151,349
Office expenses	171,548	262,015
Printing, postage and stationery	529,777	609,203
Provision for doubtful debt (net of recoveries)	(1,196,233)	(4,764,623)
Rates & taxes	-	1,220
Relocation expense	4,990	1,444
Rent	142,594	105,375
Repairs and maintenance	598,768	525,233
Roadside assistance	2,161,667	161,406
Salaries, wages and related payments	8,282,100	7,902,165
Security	629,841	720,334
Staff training	33,795	30,245
Staff welfare	88,124	42,759
Subscriptions	559,404	571,506
Telephone and communications	399,251	520,001
Travelling and entertainment	32,522	57,251
Under provision	-	786,918
Uniforms	147,972	9,755
	$17,329,878	**$13,785,562**

17. Taxation

(a) The tax charge for the year comprises:

	2022	2021
Business levy	410,735	435,252
Green fund levy	205,367	217,625
Deferred tax credit	(34,418)	(4,015,397)
	$581,684	**$(3,362,520)**

(b) Tax reconciliation

The following is a reconciliation between tax and accounting profit at the statutory tax rate:

	2022	2021
Profit before taxation	1,385,959	11,173,240
Tax at the statutory rate	415,788	3,351,972
Expenses not allowable for tax purposes	(356,651)	134,925
Business levy	410,735	435,252
Green fund levy	205,367	217,625
Tax losses utilized	(59,137)	(3,486,897)
Deferred tax credit	(34,418)	(4,015,397)
	$581,684	**$(3,362,520)**

The Company has unutilised tax losses of $11,947,586 (2021: $12,144,708) which are carried forward to be utilised in the future financial years.

18. Insurance and Financial Risk Management

Insurance and reinsurance contracts expose the Company to indemnity risk, which comprises insurance risk, policyholder behaviour risk and expense risk. In addition, the Company is exposed to financial and operational risks from insurance and reinsurance contracts and financial instruments. Financial risks include credit risk, liquidity risk and market risk. Market risk comprises currency risk, interest rate risk and other price risks.

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

(a) Key risk from contracts issued

The Company issues insurance contracts. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities. The extent to which profit or loss and equity in any period are sensitive to financial risks depends on the extent to which are borne by contract holders and the extent of any mismatches inherent in the accounting policies adopted by the Company.

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 Company 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, the severity of claims, actual benefits paid being greater than originally estimated, and subsequent development of long-term claims.

18. Insurance and Financial Risk Management (continued)

(a) Key risk from contracts issued (continued)

Product	Key risks	Risk mitigation
Property and casualty	- Extreme weather events - Natural catastrophes - Legislative changes giving rise to increased claims - Emergence of long-tailed claims: examples - latent disease type claims - Reinsurance credit risk	- Reinsurance with financially strong reinsurers, including catastrophe cover - Diversification of types of risk, industries and geographic locations in which risks are written

The key risks arising from insurance contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered and the geographic location in which the risks are written.

For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio.

For retail casualty, motor insurance contracts are susceptible to changes in legislation. For example, where compensation for future loss of earnings or nursing care is settled by paying a single lump sum, the assumed rate of investment return on the lump sum is a key sensitivity and the rate may be determined by legislation.

For commercial casualty, the severity of claims is significantly affected by increases in the value of settlements awarded for latent diseases and inflation. The frequency of claims may be affected by general economic and demographic trends and changes in legislation. Although this portfolio does not contain a large number of individually significant claims, a high frequency of claims can be a risk, particularly where generic trends impact many individuals – e.g. bad medical practice, poor housing design and negligent professional advice.

(i) Management of insurance risk

<u>Terms and conditions</u>

The major classes of general insurance written by the Company 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.

(a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The Company manages these issues through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

18. Insurance and Financial Risk Management (continued)

(a) Key risk from contracts issued (continued)

(i) Management of insurance risk (continued)

Terms and conditions (continued)

(b) Sources of uncertainty in the estimation of future claim payments

Claims of contracts are payable on a claims–occurrence basis. The Company is liable for all insured events that occurred during the terms of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and a large element of the claim provision relates to IBNR.

The estimated cost of claims includes direct expenses to be incurred in settling claims. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims expenses. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR and a provision for the reported claims not yet paid at the reporting date.

The principal assumption underlying the estimates is the Company'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 the 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.

The estimation of IBNR is generally subject to a degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claim has happened.

In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis.

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 the 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 a reassessment of the ultimate liabilities are recognized in subsequent financial statements.

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.

18. Insurance and Financial Risk Management (continued)

(a) Key risk from contracts issued (continued)

(i) Management of insurance risk (continued)

Sensitivities (continued)

Although the Company 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.

(b) Underwriting Risk

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

Insurance risk

The risk transferred from the policyholder to the Company, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.

Policyholder behaviour risk

The risk that a policyholder will cancel a contract earlier than expected (i.e. lapse risk), or will change behaviour patterns due to the presence of insurance (i.e. moral hazard).

Expense risk

The risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

Management of underwriting risk

A key component of the management of underwriting risk for the Company is a disciplined underwriting strategy that is focused on writing quality business.

Product pricing is intended to incorporate appropriate premiums for each type of assumed risk.

The underwriting strategy includes underwriting limits on the Company's total exposure to specific risks, together with limits on geographic and industry exposures. The aim is to ensure that a diversified book is maintained, with no over-exposure in any one geographic region.

Contracts may contain features that constrain underwriting risk – e.g. the use of deductibles and capping on the maximum permitted loss or number of claims (subject to local regulatory and legislative requirements).

In retail motor, the Company manages underwriting risk for some policyholders by collecting data about their driving habits (e.g. driving convictions) and adjusting the premiums based on that data.

The Company uses reinsurance to mitigate the risk of incurring significant losses linked to single events, including excess of loss, stop loss and catastrophe reinsurance. Where an individual exposure is deemed surplus to local or the Company's risk appetite, additional facultative reinsurance is also purchased.

Concentration of underwriting risk

The carrying amounts of the Company's insurance contracts (net of reinsurance) analysed by type of product are detailed in Note 10.

18. Insurance and Financial Risk Management (continued)

c) Financial risk

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets, reinsurance liabilities and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The components of financial risk are interest rate risks, equity price risks, foreign currency risks, liquidity risks and credit risks. These risks arise from open positions in interest rate, risk foreign currency, liquidity risk and credit risk.

(i) 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, trade and other receivables and cash and cash equivalents. These risks arise from open positions in interest rates, currency and equity products.

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 an assessment of the creditworthiness of reinsurers to update reinsurance purchase strategy and ascertains suitable allowance for impairment of reinsurance assets.

Investment securities and cash at bank

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

Trade and other 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 the collateral and other security enhancements held against financial assets is nil.

18. Insurance and Financial Risk Management (continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

(a) Assets bearing credit risks

Below is an analysis of assets bearing credit risks.

	Neither past due nor impaired	Past due but not impaired	Past due and impaired	Provision	Total
As at March 31, 2022					
Investments	17,761,991	-	-	-	17,761,991
Reinsurance asset	10,645,901	-	-	-	10,645,901
Trade and other receivables	8,770,634	5,411,902	2,969,206	(2,969,206)	14,182,536
Cash and cash equivalents	37,015,205	-	-	-	37,015,205
	74,193,731	**5,411,902**	**2,969,206**	**(2,969,206)**	**79,605,633**
As at March 31, 2021					
Investments	32,726,069	-	-	-	32,726,069
Reinsurance asset	13,742,650	-	-	-	13,742,650
Trade and other receivables	14,335,632	1,169,746	4,388,315	(4,388,315)	15,505,378
Cash and cash equivalents	28,098,992	-	-	-	28,098,992
	88,903,343	**1,169,746**	**4,388,315**	**(4,388,315)**	**90,073,089**

(b) Collateral held in respect of assets that are past due but not impaired

The Company does not hold any collateral and other security enhancements against financial assets (2021: Nil).

(ii) Liquidity risk

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 Company is the daily calls on its available cash resources in respect of claims arising from insurance contracts and the maturity of investment securities. The Company 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.

The following table analyzes the insurance and financial liabilities of the Company based on the remaining period, from the reporting date to the contractual maturity date. The amounts disclosed in the table are at contractual undiscounted cash flows with the exception of the insurance contracts which are at expected undiscounted cash flows. Undiscounted cash flows include estimated interest payments.

18. Insurance and Financial Risk Management (continued)

(c) Financial risk (continued)

(ii) Liquidity risk (continued)

As at March 31, 2022

	Up to one year	One to five years	Over five years	Total
Assets				
Investments	15,192,691	-	2,569,300	17,761,991
Reinsurance contract assets	10,645,901	-	-	10,645,901
Trade and other receivables	14,182,536	-	-	14,182,536
Cash and cash equivalents	37,015,205	-	-	37,015,205
	77,036,333	-	2,569,300	79,605,633
Liabilities				
Insurance contract liabilities	(49,524,966)	(8,555,773)	-	(58,080,739)
Lease liability	(1,482,900)	(1,893,419)	-	(3,376,319)
Trade payables and accruals	(8,766,796)	-	-	(8,766,796)
	(59,774,662	(10,449,192)	-	(70,223,854)
Net liquidity risk	**$17,261,671**	**$(10,449,192)**	**$2,569,300**	**$9,381,779**

As at March 31, 2021

	Up to one year	One to five years	Over five years	Total
Assets				
Investments	28,085,782	2,079,167	2,561,120	32,726,069
Reinsurance contract assets	13,742,650	-	-	13,742,650
Trade and other receivables	15,505,378	-	-	15,505,378
Cash and cash equivalents	28,098,992	-	-	28,098,992
	85,432,802	2,079,167	2,561,120	90,073,089
Liabilities				
Insurance contract liabilities	(50,926,277)	(11,384,788)		(62,311,065)
Lease liability	(1,400,375)	(1,709,547)		(3,109,922)
Borrowings	(483,371)	(2,354,090)	(898,270)	(3,735,731)
Trade payables and accruals	(13,349,527)	-	-	(13,349,527)
	(66,159,550)	(15,448,425)	(898,270)	(82,506,245)
Net liquidity risk	**$19,273,252**	**$(13,369,258)**	**$1,662,850**	**$7,566,844**

18. Insurance and Financial Risk Management (continued)

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risks - interest rate risks, currency risk and price risk, each of which are considered below.

(i) Interest rate risk

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.

Management of interest rate risk

Investment decisions are made by the Board of Directors comprising of five (5) non-executive members who are responsible for reviewing the investment portfolio of the Company and setting the general direction as to the types of investments that would comprise the Company's portfolio. The aim is to balance the risk and returns with the objective of maximizing investment income. The interest income from investments is 1% (2021:1%) of total income and does not materially affect the Company's cash flow; hence there is minimal interest rate risk.

Borrowings are accounted for at amortised cost and are at a fixed rate as such, their carrying amounts are not sensitive to changes in the level of interest rates.

(ii) Foreign currency risk

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 Company's exposure to foreign currency risk is limited to amounts payable to and recoverable from the re-insurers, primarily with respect to the US dollar.

The Company monitors its exposure to fluctuations in foreign currencies and the appropriate steps are taken to minimise the risk.

The table below summarises the Company's exposure to foreign currency exchange rate risk as at March 31, 2022, and 2021. The Company's assets and liabilities at carrying amounts are included in the table, categorised by currency positions expressed in TT$ equivalent.

	US$ (TT$ Equivalent)
Year ended March 31, 2022	
Total assets	10,645,901
Total liabilities	(7,570,814)
	$3,075,087
Year ended March 31, 2021	
Total assets	13,742,650
Total liabilities	(12,188,104)
	$1,554,546

18. Insurance and Financial Risk Management (continued)

(d) Market risk (continued)

(ii) Foreign currency risk (continued)

The analysis below is performed for reasonable possible movements in key variables with all other variables held constant, showing the impact on the profit or loss and equity due to changes in foreign currency exchange rates at the reporting date.

At March 31, 2022, if the currency had weakened/strengthened by 5% against the US dollar with all other variables remaining constant, post-tax profit for the year would have been $153,754 (2021: $77,277) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated balances. There would be a similar impact on equity.

iii) Price risk

The table below summarises the Company's exposure to other price risks.

As at March 31, 2022

	Carrying value	Effect on equity of a 5% change
Available for sale financial assets	3,928,165	196,408
Financial assets at fair value through profit or loss	2,569,300	128,465
	6,497,465	**324,873**

As at March 31, 2021

	Carrying value	Effect on equity of a 5% change
Available for sale financial assets	6,673,426	333,671
Financial assets at fair value through profit or loss	2,561,120	128,056
	$9,234,546	**$461,727**

Management believes a 5% deviation to be reasonable given the current and expected economic conditions in the locations in which the Company operates. There were no changes in the objectives, policies or procedures for managing other price risks from the prior year.

19. Capital Management

The Company's objectives when managing capital are:

- to comply with the capital requirements required by the regulators.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The local insurance regulator indicates the required minimum amount and type of capital that must be held in addition to their insurance liabilities and the Company is subject to insurance solvency regulations. The minimum required capital must be maintained at all times throughout the year.

20. Financial Instruments

(a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2022	2021
Assets as per statement of financial position		
Loans and receivables:		
Reinsurance contract assets	10,645,901	13,742,650
Trade and other receivables	14,182,536	15,505,378
Cash at bank	37,015,205	28,098,992
	$61,843,642	**$57,347,020**
Available for sale financial assets:		
Investments	3,928,165	6,673,426
Financial assets at fair value through profit or loss:		
Investments	2,569,300	2,561,120
Held to maturity financial assets		
Investments	11,264,526	23,491,523
	$17,761,991	**$32,726,069**
Liabilities as per statement of financial position		
Financial liabilities at amortised cost:		
Trade payables and accruals	8,766,796	13,349,527
Borrowings	-	3,735,731
Insurance contract liabilities	58,080,739	62,311,065
Lease liabilities	3,376,319	3,109,922
	$70,223,854	**$82,506,245**

21. Determination of Fair Values

The classification of financial instrument at fair value can be determined by reference to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

(a) Valuation models

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments				
- available for sale	-	3,928,165	-	3,928,165
- financial assets at fair value through profit or loss	-	2,569,300	-	2,569,300
- held to maturity investments	-	-	11,264,526	11,264,526
	-	**6,497,465**	**11,264,526**	**17,761,991**

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments				
- available for sale	-	6,673,426	-	6,673,426
- financial assets at fair value through profit or loss	-	2,561,120	-	2,561,120
- held to maturity investments	-	-	23,491,523	23,491,523
	$-	**$9,234,546**	**$23,491,523**	**$32,726,069**

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers of financial instruments between levels during the year, and neither were there any changes in the categorization from the prior year.

(b) Non-financial instruments measured at fair value

(i) Methodology

The Company's investment property was valued on March 31, 2021, by G.A. Farrell & Associates Limited, Chartered Valuation Surveyors. The valuation surveyors used the Investment Method to determine the value of land and buildings. The deficit arising was recorded in other comprehensive income.

The fair value for land and buildings of $11,000,000 (2021: $11,000,000) has been classified as Level 3 in the fair value hierarchy.

There were no transfers between levels during the year.

21. Determination of Fair Values (continued)

(b) Non-financial instruments measured at fair value (continued)

(ii) Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used in measuring items categorised as Level 3 in the fair value hierarchy.

Description	Fair Value at March 31, 2021	Valuation Technique	Significant Unobservable Inputs
Land and Buildings	$11 million (2021: $11 million)	Investment Method	- Gross monthly rental value - Outgoings - Capitalisation rate The inputs were based on the current prices being paid for comparable properties in the open market.

(c) Financial instruments not measured at fair value

The fair value of trade and other receivables, reinsurance contract assets, reinsurance contract liabilities, trade payables and accruals, borrowings, lease liabilities and cash and cash equivalents are equivalent to their carrying value as these amounts are considered short-term in nature. The fair value of held-to-maturity financial assets is disclosed in Note 8 and the fair value of Borrowings is disclosed in Note 14.

22. Contingent Liabilities

The Company has several legal matters pending relating to claims made on its insurance portfolio for which the ultimate cost of settling may be uncertain. These have been adequately provided for as insurance liabilities in the financial statements. The Company is also subject to other legal actions, the final outcome of which is uncertain. Based on legal advice received, management has concluded that no significant unrecognised liabilities are expected to crystallise.

23. Impact of Covid-19

The World Health Organization declared the outbreak of a respiratory disease caused by a coronavirus as a "pandemic". First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

No impairments were recorded as of the statement of financial position date as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgement regarding this could change in the future.

24. Subsequent events

The Company has evaluated subsequent events from April 1, 2022, through to June 29, 2022, the date the financial statements were available to be issued. During this period, management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements.