

## **INDEPENDENT AUDITORS' REPORT**

### **ON THE SUMMARY FINANCIAL STATEMENTS**

### **TO THE DIRECTORS OF MASSY UNITED INSURANCE LTD.**

#### *Opinion*

The summary financial statements of the Guyana Branch of Massy United Insurance Ltd. (the Branch) which comprise the summary statement of financial position as at 31 December 2021, the summary statement of comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of the Branch for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in note 1.

#### *Summary Financial Statements*

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon. The audited financial statements and the summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### *The Audit Financial Statements and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated 31 March 2022.

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

Management is responsible for the preparation of the summary financial statements in accordance with Note 1.

#### *Auditors' Responsibility*

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



**JACK A. ALLI, SONS & CO.**

Georgetown, Guyana  
31 March 2022

**Massy United Insurance Ltd. - Guyana Branch**  
**Summary Statement of Comprehensive Income**  
**For the year ended December 31, 2021**

(expressed in thousands of Guyana dollars)

	Dec 31, 2021	Dec 31, 2020
	\$	\$
<b>Revenue</b>		
Gross premium earned	739,906	615,229
Reinsurance premium ceded	<u>(349,586)</u>	<u>(285,904)</u>
Net premiums earned	390,320	329,325
Reinsurance commission	50,170	43,053
Other income	<u>7,876</u>	<u>5,474</u>
	<u>448,366</u>	<u>377,852</u>
<b>Expenses</b>		
Gross claims incurred	24,263	171,789
Reinsurers' share of claims incurred	<u>(5,361)</u>	<u>(55,737)</u>
Net claims incurred	18,902	116,052
Policy acquisition costs	86,418	72,760
General and administrative expenses	<u>121,765</u>	<u>112,799</u>
	<u>227,085</u>	<u>301,611</u>
<b>Income before taxation</b>	221,281	76,241
Taxation	<u>(124,362)</u>	<u>(44,554)</u>
<b>Total comprehensive income for the year</b>	<u>96,919</u>	<u>31,687</u>

**Massy United Insurance Ltd. - Guyana Branch**  
**Summary Statement of Cash Flows**  
**For the year ended December 31, 2021**

(expressed in thousands of Guyana dollars)

	Dec 31, 2021	Dec 31, 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Income before taxation	221,281	76,241
Depreciation	6,281	7,782
Loss on disposal of fixed asset	127	0
Interest receivable	(2,996)	(3,741)
Net movement in impairment of receivables	<u>1,958</u>	<u>2,815</u>
Operating income before working capital changes	226,651	83,097
Decrease/ (increase) in accounts receivable and prepayments	25,146	(18,666)
Increase in accounts payable and deferred income (Decrease)/ increase in general insurance liabilities, net of reinsurance assets	<u>(91,455)</u>	<u>113,908</u>
Net cash generated from operations	259,382	207,070
Taxes paid	<u>(40,191)</u>	<u>(46,842)</u>
Net cash generated from operating activities	<u>219,191</u>	<u>160,228</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(519)	0
Increase of fixed deposits	<u>(83,344)</u>	<u>(52,728)</u>
Interest income received	<u>2,996</u>	<u>3,741</u>
Net cash used by investing activities	<u>(80,867)</u>	<u>(48,987)</u>
<b>Cash flows from financing activities</b>		
Principal repayments on lease liabilities	(3,152)	(2,897)
Net movement in head office account	<u>16,076</u>	<u>(161,045)</u>
<b>Net cash generated from/ (used by) financing activities</b>	<u>12,924</u>	<u>(163,942)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	151,248	(52,701)
<b>Cash and cash equivalents - beginning of period</b>	47,325	100,026
<b>Cash and cash equivalents - end of period</b>	<u>198,573</u>	<u>47,325</u>

**Note 1**

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of the Branch for the year ended 31 December 2021, which are prepared in accordance with IFRS.

**Massy United Insurance Ltd. - Guyana Branch**  
**Summary Statement of Changes in Equity**  
**For the year ended December 31, 2021**

(expressed in thousands of Guyana dollars)

	Head office	Retained earnings	Total
	\$	\$	\$
<b>Balance at December 31, 2019</b>	258,933	70,935	329,868
Net movement in Head Office Account	(161,045)	0	(161,045)
Total comprehensive income for the year	0	31,687	31,687
<b>Balance at December 31, 2020</b>	97,888	102,622	200,510
Net movement in Head Office Account	16,076	0	16,076
Total comprehensive income for the year	0	96,919	96,919
<b>Balance at December 31, 2021</b>	<u>113,964</u>	<u>199,541</u>	<u>313,505</u>

**Massy United Insurance Ltd. - Guyana Branch**  
**Summary Statement of Financial Position**  
**For the year ended December 31, 2021**

(expressed in thousands of Guyana dollars)

	Dec 31, 2021	Dec 31, 2020
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	198,573	47,325
Fixed deposits	514,462	431,118
Accounts receivable and prepayments	108,429	135,533
Reinsurance assets	157,513	174,269
Tax refundable	73,692	79,966
Property and equipment	3,877	6,271
Right-of-use assets	10,483	13,978
Deferred tax asset	<u>5,937</u>	<u>6,269</u>
	<u>1,072,966</u>	<u>894,729</u>
<b>Liabilities</b>		
Accounts payable and deferred income	184,912	85,872
Lease liability	11,423	14,575
Insurance liabilities	392,045	500,256
Tax payable	<u>171,081</u>	<u>93,516</u>
	<u>759,461</u>	<u>694,219</u>
<b>Equity</b>		
Head office	113,964	97,888
Retained earnings	<u>199,541</u>	<u>102,622</u>
	<u>313,505</u>	<u>200,510</u>
	<u>1,072,966</u>	<u>894,729</u>

**Approved by the Board of Directors on March 31, 2022, and signed on its behalf by:**

  
Director


  
Director