

**INDEPENDENT AUDITOR'S REPORT****TO THE DIRECTORS OF CG UNITED INSURANCE LTD.  
Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Guyana Branch of CG United Insurance Ltd, ("the Branch"), which comprise the statement of financial position as at 31 December 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 Branch as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and the Companies Act of Guyana.

**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 Branch in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including the International Independence Standards) ("IESBA Code"), and we have fulfilled our other 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.

**Other Matter**

The financial statements of CG United Insurance Ltd. (Guyana Branch) for the year ended 31 December 2021 were audited by another auditor who expressed an unqualified opinion on those statements on 31 March 2022.

**Responsibilities of Management and the Board of Directors 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 Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Branch'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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch'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 Branch'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 Branch 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 the Board of Directors 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.



EY Accountants  
Georgetown, Guyana  
30 April 2023

**CG United Insurance Ltd. – Guyana Branch**  
**Statement of Comprehensive Income**  
**For the year ended December 31, 2022**

(expressed in thousands of Guyana Dollars)

	2022	2021
	\$	\$
<b>Revenue</b>		
Gross premium earned	888,863	739,906
Reinsurance premium ceded	<b>(449,446)</b>	(349,586)
Net premiums earned	<b>439,417</b>	390,320
Reinsurance commission	<b>59,061</b>	50,170
Other income	<b>14,670</b>	7,876
	<b>513,148</b>	448,366
<b>Expenses</b>		
Gross claims incurred	<b>181,180</b>	24,263
Reinsurers' share of claims incurred	<b>(39,112)</b>	(5,361)
Net claims incurred	<b>142,068</b>	18,902
Policy acquisition costs	<b>97,902</b>	86,418
General and administrative expenses	<b>143,487</b>	121,765
	<b>383,457</b>	227,085
<b>Income before taxation</b>	<b>129,691</b>	221,281
Taxation	<b>(64,249)</b>	(124,362)
<b>Total comprehensive profit for the year</b>	<b>65,442</b>	96,919

**CG United Insurance Ltd. – Guyana Branch**  
**Statement of Cash Flows**  
**For the year ended December 31, 2022**

(expressed in thousands of Guyana Dollars)

	2022	2021
	\$	\$
<b>Cash flows from operating activities</b>		
Profit before taxation	129,691	221,281
Depreciation	<b>6,287</b>	6,281
Loss on disposal of fixed asset	<b>208</b>	127
Interest income	<b>(5,765)</b>	(2,996)
Net movement in impairment of receivables	<b>1,524</b>	1,958
Operating profit before working capital changes	<b>131,945</b>	226,651
(Increase)/decrease in accounts receivable and prepayments	<b>(83,840)</b>	25,146
Increase in accounts payable and deferred income	<b>75,784</b>	99,040
Increase/(decrease) in general insurance liabilities, net of reinsurance assets	<b>123,920</b>	(91,455)
Net cash generated from operations	<b>247,809</b>	259,382
Taxes paid	<b>(143,278)</b>	(40,191)
Net cash generated from operating activities	<b>104,531</b>	219,191
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<b>(5,567)</b>	(519)
Increase of fixed deposits	<b>(8,517)</b>	(83,344)
Interest income received	<b>5,765</b>	2,996
Net cash used by investing activities	<b>(8,319)</b>	(80,867)
<b>Cash flows from financing activities</b>		
Principal repayments on lease liabilities	<b>(3,467)</b>	(3,152)
Net movement in head office account	<b>131,072</b>	16,076
<b>Net cash generated from financing activities</b>	<b>127,605</b>	12,924
<b>Net increase in cash and cash equivalents</b>	<b>223,817</b>	151,248
<b>Cash and cash equivalents - beginning of year</b>	<b>198,573</b>	47,325
<b>Cash and cash equivalents - end of year</b>	<b>422,390</b>	198,573

**CG United Insurance Ltd. – Guyana Branch**  
**Statement of Changes in Equity**  
**For the year ended December 31, 2022**

(expressed in thousands of Guyana dollars)

	Head Office	Retained Earnings	Total
	\$	\$	\$
<b>Balance at December 31, 2020</b>	97,888	102,622	200,510
Net movement in Head Office Account	16,076	-	16,076
Total comprehensive profit for the year	-	96,919	96,919
<b>Balance at December 31, 2021</b>	<b>113,964</b>	<b>199,541</b>	<b>313,505</b>
Net movement in Head Office Account	131,072	-	131,072
Total comprehensive profit for the year	-	65,442	65,442
<b>Balance at December 31, 2022</b>	<b>245,036</b>	<b>264,983</b>	<b>510,019</b>

**CG United Insurance Ltd. – Guyana Branch**  
**Statement of Financial Position**  
**As at December 31, 2022**

(expressed in thousands of Guyana Dollars)

	2022	2021
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	<b>422,390</b>	198,573
Fixed deposits	<b>522,979</b>	514,462
Accounts receivable and prepayments	<b>229,556</b>	108,429
Reinsurance assets	<b>211,076</b>	157,513
Tax refundable	<b>45,952</b>	73,692
Property and equipment	<b>7,317</b>	3,877
Right-of-use assets	<b>6,115</b>	10,483
Deferred tax asset	<b>7,263</b>	5,937
	<b>1,452,648</b>	1,072,966
<b>Liabilities</b>		
Accounts payable and deferred income	<b>299,505</b>	184,912
Lease liability	<b>7,956</b>	11,423
Insurance liabilities	<b>569,528</b>	392,045
Tax payable	<b>65,640</b>	171,081
	<b>942,629</b>	759,461
<b>Equity</b>		
Head office	<b>245,036</b>	113,964
Retained earnings	<b>264,983</b>	199,541
	<b>510,019</b>	313,505
	<b>1,452,648</b>	1,072,966

Approved by the Board of Directors on 30<sup>th</sup> April, 2023 and signed on its behalf by:

  
Director