



Abridged Financial Statements

For the year ended:

December 31, 2021

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

DIAMOND FIRE AND GENERAL INSURANCE INC.

ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Diamond Fire and General Insurance Inc., which comprise the statement of financial position as at 31 December, 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 2 to 46.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Diamond Fire and General Insurance Inc. as at 31 December, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such 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.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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.

Auditor's Responsibilities for the Audit of the Financial Statements – Cont'd

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Company's 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.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991.

The Insurance Act 2016 became effective in 2018. As explained in Note 31, the company did not fully comply with the requirements of the Act.

TSD LAL & CO.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: April 4, 2022

77 Brickdam,
Stabroek, Georgetown
Guyana.

1(b)

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

DIAMOND FIRE AND GENERAL INSURANCE INC.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Notes</u>	<u>2021</u> G\$	<u>2020</u> G\$
Revenue			
Premiums	5	452,848,456	359,422,196
Investment income	13(c)	38,082,091	31,183,969
Other income		25,574,565	25,276,927
Commission earned	7	<u>142,624,912</u>	<u>137,769,663</u>
		<u>659,130,024</u>	<u>553,652,755</u>
Deduct:			
Expenditure			
Claims incurred	6	104,350,214	91,272,121
Commissions paid		113,097,980	97,862,860
Management expenses	8	174,199,330	159,357,554
Property tax		<u>10,753,685</u>	<u>9,368,116</u>
Total expenditure		<u>402,401,209</u>	<u>357,860,651</u>
Profit before taxation	9	256,728,815	195,792,104
Taxation	11(a)	<u>90,652,289</u>	<u>68,481,409</u>
Profit after taxation		<u>166,076,526</u>	<u>127,310,695</u>
Basic earnings per share	10	<u>1.11</u>	<u>0.85</u>

"The accompanying notes form an integral part of these financial statements"

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

DIAMOND FIRE AND GENERAL INSURANCE INC.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME- CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Notes</u>	<u>2021</u> G\$	<u>2020</u> G\$
Profit after taxation		<u>166,076,526</u>	<u>127,310,695</u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plan	11(b)	16,606,200	-
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on available for sale financial assets	15(b)	865,246,910	299,078,667
		<u>881,853,110</u>	<u>299,078,667</u>
Other comprehensive income net of tax		<u>881,853,110</u>	<u>299,078,667</u>
Total comprehensive income for the year		<u>1,047,929,636</u>	<u>426,389,362</u>

"The accompanying notes form an integral part of these financial statements"

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021



	<u>Note</u>	<u>Share capital</u> G\$	<u>Retained earnings</u> G\$	<u>Investments Reserve</u> G\$	<u>Total</u> G\$
Balance at 1 January 2020		350,000,000	663,308,883	732,206,653	1,745,515,536
Changes in equity 2020					
Total Comprehensive income for the year		-	127,310,695	299,078,667	426,389,362
Dividends	27	-	(27,000,000)	-	(27,000,000)
Balance at 31 December 2020		<u>350,000,000</u>	<u>763,619,578</u>	<u>1,031,285,320</u>	<u>2,144,904,898</u>
Changes in equity 2021					
Total Comprehensive income for the year		-	182,682,726	865,246,910	1,047,929,636
Dividends	27	-	(30,000,000)	-	(30,000,000)
Balance at 31 December 2021		<u><u>350,000,000</u></u>	<u><u>916,302,304</u></u>	<u><u>1,896,532,230</u></u>	<u><u>3,162,834,534</u></u>

"The accompanying notes form an integral part of these financial statements".

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF FINANCIAL POSITION

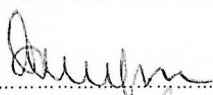
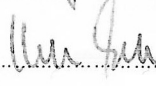

AS AT 31 DECEMBER 2021



	Notes	2021 G\$	2020 G\$
ASSETS			
Non-current assets			
Property and equipment	12	467,761,916	468,817,767
Defined benefit asset	30(1)	39,590,000	9,510,000
Investments	13	2,258,807,029	1,385,245,407
Deferred tax asset	11(a)	16,394,979	14,717,230
		<u>2,782,553,924</u>	<u>1,878,290,404</u>
Current Assets			
Receivables and prepayments	14	126,181,894	125,548,549
Tax recoverable		6,855,109	6,855,109
Claims recoverable	18	22,878,525	25,549,193
Cash on deposit	20	54,095,072	53,268,759
Cash at bank and on hand		630,073,063	454,411,808
		<u>840,083,663</u>	<u>665,633,418</u>
TOTAL ASSETS		<u><u>3,622,637,587</u></u>	<u><u>2,543,923,822</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15(a)	350,000,000	350,000,000
Retained earnings		916,302,304	763,619,578
Investment reserve	15(b)	1,896,532,230	1,031,285,320
		<u>3,162,834,534</u>	<u>2,144,904,898</u>
Non-current liabilities			
Deferred tax liability	11(a)	30,062,865	12,262,839
Lease liability	16	703,665	-
		<u>30,766,530</u>	<u>12,262,839</u>
Current liabilities			
Lease liability	16	9,263,021	-
Unearned premiums	17	194,211,184	157,609,647
Provision for unpaid claims	18	94,530,470	106,279,418
Payables and accrued expenses	19	73,048,379	86,800,262
Due to related party	21(ii)	31,171,796	30,645,068
Taxes payable		26,811,673	5,421,690
		<u>429,036,523</u>	<u>386,756,085</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,622,637,587</u></u>	<u><u>2,543,923,822</u></u>

These financial statements were approved by the Board of Directors on April 4, 2022

On behalf of the Board:


 Director

 Director

 Secretary

"The accompanying notes form an integral part of these financial statements"

The following is an abridged set of financials extracted from the Company's Audited Financial Statements:

DIAMOND FIRE AND GENERAL INSURANCE INC.

STATEMENT OF CASH FLOWS



FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u>	<u>2020</u>
	G\$	G\$
Operating activities		
Profit before taxation	256,728,815	195,792,104
Adjustment for:		
Gain on disposal	(22,288)	(270,620)
Lease interest	1,166,068	-
Increase in defined benefit asset	(2,403,000)	-
Depreciation	14,824,021	13,491,973
Operating profit before working capital changes	<u>270,293,615</u>	<u>209,013,457</u>
Increase in receivables and prepayments	(633,345)	(161,612)
Decrease in claims recoverable	2,670,668	36,258,167
Increase in cash on deposit	(826,313)	(825,423)
Increase in unearned premium	36,601,537	29,552,308
Decrease in provision for claims	(11,748,948)	(282,197)
Increase/(decrease) in payables and accrued expenses	(13,751,883)	7,467,242
Increase/(decrease) in related parties	526,728	(10,045,826)
Cash generated from operations	<u>283,132,060</u>	<u>270,976,116</u>
Taxes paid	(69,978,855)	(73,908,605)
Net cash provided by operating activities	<u>213,153,205</u>	<u>197,067,511</u>
Investing activities		
Purchase of property and equipment	(3,167,552)	(1,665,858)
Purchase of investments	(56,172,732)	(87,041,022)
Sale of investments	53,648,334	77,092,203
Net cash used in investing activities	<u>(5,691,950)</u>	<u>(11,614,677)</u>
Financing activities		
Lease interest expense	(1,166,068)	-
Repayment of lease liability	(633,932)	-
Dividends paid	(30,000,000)	(27,000,000)
Net cash used in financing activities	<u>(31,800,000)</u>	<u>(27,000,000)</u>
Net increase in cash and cash equivalents	175,661,255	158,452,834
Cash and cash equivalents at beginning of year	<u>454,411,808</u>	<u>295,958,974</u>
Cash and cash equivalents at end of year	<u><u>630,073,063</u></u>	<u><u>454,411,808</u></u>

"The accompanying notes form an integral part of these financial statements"