

Abridged Financial Statements

For the year ended:

December 31, 2020

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 2020



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, 2020, 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 45.

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, 2020, 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: March 19, 2021

77 Brickdam,
Stabroek, Georgetown
Guyana.

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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 2020



	<u>Notes</u>	<u>2020</u> G\$	<u>2019</u> G\$
Revenue			
Premiums	5	359,422,196	311,762,696
Investment income	13(c)	31,183,969	31,392,443
Other income		25,276,927	26,174,789
Commission earned	7	<u>137,769,663</u>	<u>111,965,065</u>
		<u>553,652,755</u>	<u>481,294,993</u>
Deduct:			
Expenditure			
Claims incurred	6	91,272,121	57,306,095
Commissions paid		97,862,860	84,845,830
Management expenses	8	159,357,554	143,796,890
Property tax		<u>9,368,116</u>	<u>9,183,424</u>
Total expenditure		<u>357,860,651</u>	<u>295,132,239</u>
Profit before taxation	9	195,792,104	186,162,754
Taxation	11(a)	<u>68,481,409</u>	<u>72,075,069</u>
Profit after taxation		<u><u>127,310,695</u></u>	<u><u>114,087,685</u></u>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit pension plan	11(b)	-	(348,000)
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on available for sale financial assets	16	299,078,667	113,049,062
		<u>299,078,667</u>	<u>112,701,062</u>
Other comprehensive income net of tax		<u>299,078,667</u>	<u>112,701,062</u>
Total comprehensive income for the year		<u><u>426,389,362</u></u>	<u><u>226,788,747</u></u>
Basic earnings per share	10	<u>0.85</u>	<u>0.76</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 2020

	<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 2019		350,000,000	573,569,198	619,157,591	1,542,726,789
Changes in equity 2019					
Total Comprehensive income for the year		-	113,739,685	113,049,062	226,788,747
Dividends	27	<u>-</u>	<u>(24,000,000)</u>	<u>-</u>	<u>(24,000,000)</u>
Balance at 31 December 2019		<u>350,000,000</u>	<u>663,308,883</u>	<u>732,206,653</u>	<u>1,745,515,536</u>
Changes in equity 2020					
Total Comprehensive income for the year		-	127,310,695	299,078,667	426,389,362
Dividends	27	<u>-</u>	<u>(27,000,000)</u>	<u>-</u>	<u>(27,000,000)</u>
Balance at 31 December 2020		<u><u>350,000,000</u></u>	<u><u>763,619,578</u></u>	<u><u>1,031,285,320</u></u>	<u><u>2,144,904,898</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

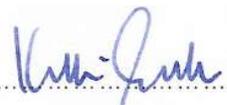
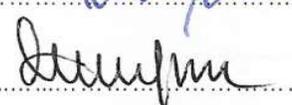
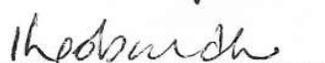
AS AT 31 DECEMBER 2020



	<u>Notes</u>	<u>2020</u> G\$	<u>2019</u> G\$
ASSETS			
Non-current assets			
Property and equipment	12	468,817,767	480,643,882
Defined benefit asset	30(i)	9,510,000	9,510,000
Investments	13	1,385,245,407	1,078,112,624
Deferred tax asset	11(a)	14,717,230	13,219,785
		<u>1,878,290,404</u>	<u>1,581,486,291</u>
Current Assets			
Receivables and prepayments	14	125,548,549	125,386,937
Tax recoverable		6,855,109	4,704,737
Claims recoverable	18	25,549,193	61,807,360
Cash on deposit	20	53,268,759	52,443,336
Cash at bank and on hand		454,411,808	295,958,974
		<u>665,633,418</u>	<u>540,301,344</u>
TOTAL ASSETS		<u><u>2,543,923,822</u></u>	<u><u>2,121,787,635</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	350,000,000	350,000,000
Retained earnings		763,619,578	663,308,883
Investment reserve	16	1,031,285,320	732,206,653
		<u>2,144,904,898</u>	<u>1,745,515,536</u>
Non-current liabilities			
Deferred tax liability	11(a)	12,262,839	14,428,167
Current liabilities			
Unearned premiums	17	157,609,647	128,057,339
Provision for unpaid claims	18	106,279,418	106,561,615
Payables and accrued expenses	19	86,800,262	79,333,020
Due to related party	21(ii)	30,645,068	40,690,894
Taxes payable		5,421,690	7,201,064
		<u>386,756,085</u>	<u>361,843,932</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,543,923,822</u></u>	<u><u>2,121,787,635</u></u>

These financial statements were approved by the Board of Directors on 19 March 2021

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 2020



	<u>2020</u>	<u>2019</u>
	G\$	G\$
Operating activities		
Profit before taxation	195,792,104	186,162,754
Adjustment for:		
Gain on disposal	(270,620)	(382,309)
Increase in defined benefit asset	-	(2,296,003)
Depreciation	13,491,973	12,788,203
Operating profit before working capital changes	<u>209,013,457</u>	<u>196,272,645</u>
Increase in receivables and prepayments	(161,612)	(38,356,631)
(Increase)/decrease in claims recoverable	36,258,167	(37,142,649)
Increase in cash on deposit	(825,423)	(829,352)
Increase in unearned premium	29,552,308	25,028,161
Increase/(decrease) in provision for claims	(282,197)	54,866,101
Increase in payables and accrued expenses	7,467,242	15,324,499
Increase/(decrease) in related parties	(10,045,826)	3,002,010
Cash generated from operations	<u>270,976,116</u>	<u>218,164,784</u>
Taxes paid/adjusted	(73,908,605)	(71,908,382)
Net cash provided by operating activities	<u>197,067,511</u>	<u>146,256,402</u>
Investing activities		
Purchase of property and equipment	(1,665,858)	(150,263,204)
Purchase of investments	(87,041,022)	-
Sale of investments	77,092,203	8,272,497
Net cash used in investing activities	<u>(11,614,677)</u>	<u>(141,990,707)</u>
Financing activities		
Dividends paid	(27,000,000)	(24,000,000)
Net cash used in financing activities	<u>(27,000,000)</u>	<u>(24,000,000)</u>
Net increase/(decrease) in cash and cash equivalents	158,452,834	(19,734,305)
Cash and cash equivalents at beginning of year	<u>295,958,974</u>	<u>315,693,279</u>
Cash and cash equivalents at end of year	<u><u>454,411,808</u></u>	<u><u>295,958,974</u></u>

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