

CARIBBEAN ASSURANCE BROKERS LIMITED
UNAUDITED QUARTERLY FINANCIAL STATEMENTS
31 MARCH 2021

CARIBBEAN ASSURANCE BROKERS LIMITED

UNAUDITED FINANCIAL STATEMENTS

31 MARCH 2021

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UNAUDITED FINANCIAL REPORT TO THE SHAREHOLDERS

Company Performance for the Quarter Ended 31 March 2021

For the quarter ended 31 March 2021, the Company earned gross revenues of J\$87.3 million compared to J\$82.5 million in the prior comparable quarter 2020; an increase of \$4.8 million or 5.8%. Three out of our four divisions had growth in commission while one division had a decline in commission over the previous quarter.

Commission Income increased by \$5 million (7.1%) and was attributed to increases in our International Division \$3.7M, Employee Benefit Division \$1.2M and General Insurance Division \$2.2 M; however, the Individual Life Division declined by \$2.2M.

Operating expenses for the Quarter had an increase of \$8.4 million or 9.9% compared with 2020 Quarter and the resulting Operating Losses \$5.95 million. The increase in Operating Expenses was a result of the strategic decision to increase our revenue generating capacity, this is starting to bear fruits as we have seen year over year growth in three (3) of four business lines. We also had increases in registration fees due to the company listing on the Junior Stock Exchange and depreciation charges due to addition to property, plant & equipment which included the installation of additional solar panels. With the addition of finance charges of \$1.5 million, Loss Before Tax was \$7.4 million.

The Company had a tax charge of \$0.448 thousand which resulted in Net Loss for the Quarter of \$7.9 million compared to Net Loss of \$4.6 million for the comparable quarter in 2020.

The total assets of the Company increased to J\$573.4 million from J\$515.2 million for 2020 comparable quarter; an increase of J\$58.2 million or 11.3%. This increase was mainly attributed to: (1) increase in property plant & equipment due to assets purchased during the year; (2) right of use assets for an operating lease and (3) increase in receivables and cash and bank balances.

The Company's total Equity for the quarter was J\$324.5 million compared J\$296.2 million for the 2020 quarter; this represents an increase of J\$28.3 million or 9.55%. The increased Equity is mainly due to increase in retained earnings.

Long term liabilities increased to J\$100.1 million from \$84.2 million in the prior comparative quarter. This was due to increase in the USD loan because of the devaluation of the US dollar and lease liability for right of use assets acquired during the year.

The effects of the COVID-19 pandemic continued to impact our ability to maximize on our growth drivers. Consequently, we have continued to lay the foundation for improved efficiencies and ultimately increased revenues. Our clients are enjoying the use of our newly improved loyalty app which provides a contactless option to redeeming rewards. We completed the development and re-deployment of the website. The improvements have modernized the website and enhanced the user experience. The e-commerce gateway development has also been completed and is in the final stages of testing and approval.

We want you to LOVE doing business with us!

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We thank our staff for their dedication and wish to thank our customers for their continued support of our business.

A handwritten signature in black ink, appearing to read "R. Walker", is positioned above the printed name.

Raymond Walker
Chairman/CEO

We want you to LOVE doing business with us!

Raymond H. Walker, B.Sc., CLU, MBA (Chairman & CEO); Rion B. Hall, JP, MBA; Janice P. Holness; Norman Minott LLB (Hons)
Jennifer Rajpat, B.Sc., ACII, FLMI, AIAA, ACS; Barrington Whyte, B.A., MBA; Tania Waldron-Gooden, MBA, B.Sc., Carlton Barclay, FCCA, MBA

International Insurance | Employee Benefits | General Insurance | Local Individual Insurance

CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2021

	3 Months Ended March <u>2021</u> \$	3 Months Ended March <u>2020</u> \$	Audited 12 Months Ended December <u>2020</u> \$
REVENUE	75,075,246	70,098,979	370,639,035
Other operating income	12,260,540	12,415,575	26,283,204
	<u>87,335,786</u>	<u>82,514,554</u>	<u>396,922,239</u>
Administrative and other expenses	(63,299,573)	(55,853,511)	(232,816,203)
Selling expenses	(29,986,331)	(29,021,746)	(121,233,919)
	<u>(93,285,904)</u>	<u>(84,875,257)</u>	<u>(354,050,122)</u>
OPERATING (LOSS)/PROFIT	(5,950,118)	(2,360,703)	42,872,117
Finance costs	(1,482,372)	(1,340,901)	(5,284,490)
(LOSS)/PROFIT BEFORE TAXATION	(7,432,490)	(3,701,604)	37,587,627
Taxation	(448,752)	(939,569)	(6,035,089)
NET (LOSS)/PROFIT FOR THE PERIOD	<u>(7,881,242)</u>	<u>(4,641,173)</u>	<u>31,552,538</u>
EARNINGS PER STOCK UNIT	<u>(0.03)</u>	<u>(0.02)</u>	<u>0.13</u>

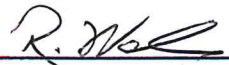
CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2021

	Note	<u>Un-Audited</u> <u>March 2021</u>	<u>Un- Audited</u> <u>March 2020</u>	<u>Audited</u> <u>Dec. 2020</u>
		\$		\$
<u>ASSETS</u>				
NON-CURRENT ASSETS:				
Property, plant and equipment		252,921,953	235,282,562	255,732,243
Deferred tax asset		11,713,469	14,969,002	12,162,221
Right of use asset		19,899,629	8,522,865	21,517,847
		<u>284,535,051</u>	<u>258,774,429</u>	<u>289,412,311</u>
CURRENT ASSETS:				
Receivables		141,416,262	115,288,726	144,085,587
Taxation recoverable		2,805,611	2,129,660	2,733,163
Cash and bank balances		144,925,187	139,030,961	155,791,576
		<u>289,147,060</u>	<u>256,449,347</u>	<u>302,610,326</u>
		<u>573,682,111</u>	<u>515,223,776</u>	<u>592,022,637</u>
<u>EQUITY AND LIABILITIES</u>				
EQUITY:				
Share capital	5	137,589,247	137,589,247	137,589,247
Retained earnings		138,507,033	110,194,564	146,388,275
Capital reserve		48,424,370	48,424,370	48,424,370
		<u>324,520,650</u>	<u>296,208,181</u>	<u>332,401,892</u>
NON-CURRENT LIABILITIES:				
Long term loan		84,342,880	77,903,866	75,198,594
Lease liability		15,767,035	6,296,122	15,767,035
		<u>100,109,915</u>	<u>84,199,988</u>	<u>90,965,629</u>
CURRENT LIABILITIES:				
Payables		142,300,855	123,849,256	155,580,912
Bank overdraft		-	7,251,901	-
Short term loan		2,066,119	1,121,306	-
Current portion of long term loan		-	-	6,881,813
Current portion of lease liability		4,684,572	2,593,144	6,192,391
		<u>149,051,546</u>	<u>134,815,607</u>	<u>168,655,116</u>
		<u>573,682,111</u>	<u>515,223,776</u>	<u>592,022,637</u>

Approved for issue by the Board of Directors on 06 May 2021 and signed on its behalf by:


Raymond Walker - Director


Barrington Whyte - Director

CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 MARCH 2021

	<u>Note</u>	<u>Share Capital</u> ₤	<u>Capital Reserve</u> ₤	<u>Accumulated Surplus</u> ₤	<u>Total</u> ₤
BALANCE AT 31 DECEMBER 2019		48,765,008	48,424,370	114,835,737	212,025,115
Total Comprehensive Income					
Net loss		-	-	(4,641,173)	(4,641,173)
Issue os shares, net transaction cost	5	88,824,239	-	-	88,824,239
		<u>88,824,239</u>	<u>-</u>	<u>(4,641,173)</u>	<u>84,183,066</u>
BALANCE AT 31 MARCH 2020		<u>137,589,247</u>	<u>48,424,370</u>	<u>110,194,564</u>	<u>296,208,181</u>
BALANCE AT 31 DECEMBER 2020		137,589,247	48,424,370	146,388,275	332,401,892
Total Comprehensive Income					
Net loss		-	-	(7,881,242)	(7,881,242)
Issue of shares, net transaction cost	5	-	-	-	-
BALANCE AT 31 MARCH 2021		<u>137,589,247</u>	<u>48,424,370</u>	<u>138,507,033</u>	<u>324,520,650</u>

STATEMENT OF CASHFLOW

PERIOD ENDED 31 MARCH 2021

	Un-Audited <u>March 2021</u> ₤	Un-Audited <u>March 2020</u> ₤	Audited <u>Dec. 2020</u> ₤
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit	(7,881,242)	(4,641,173)	31,552,538
Items not affecting cash resources:			
Exchange (gain)/loss on foreign balances	(4,616,028)	(3,593,647)	(9,248,696)
Amortization of right of use asset	1,618,218	1,392,266	4,487,285
Depreciation	3,178,984	766,369	8,676,828
Loss on disposal of property, plant and equipment	-	-	52,386
Interest income	(470,073)	(526,582)	(3,766,171)
Interest expense	1,106,844	1,169,378	4,625,319
Interest on right of use asset	375,528	171,523	659,171
Taxation expense	448,752	939,569	6,035,089
	<u>(6,239,017)</u>	<u>(4,322,297)</u>	<u>43,073,749</u>
Changes in operating assets and liabilities:			
Receivables	3,747,808	24,227,598	(2,406,725)
Payables	(12,469,782)	(32,691,861)	173,418
	<u>(14,960,991)</u>	<u>(12,786,560)</u>	<u>40,840,442</u>
Taxation paid	(72,448)	(5,336,674)	(8,228,915)
Net cash (used in)/provided by operating activities	<u>(15,033,439)</u>	<u>(18,123,234)</u>	<u>32,611,527</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	470,073	526,582	3,766,171
Proceed from Sale of Fixed Asset	-	-	410,703
Purchase of property, plant and equipment	(368,694)	(1,918,548)	(30,741,777)
Net cash provided by/(used in) investing activities	<u>101,379</u>	<u>(1,391,966)</u>	<u>(26,564,903)</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Interest paid on right of use asset	(375,528)	(171,523)	(659,171)
Interest paid	(1,106,844)	(1,169,378)	(4,625,319)
Principal paid on right of use asset	(1,507,817)	(1,365,412)	(4,385,254)
Loan repayment	(1,391,465)	(13,688,042)	(14,905,176)
Loan proceeds	5,720,055	2,904,345	7,176,714
Net proceeds from the issue of shares	-	88,824,239	88,824,239
Net cash provided by financing activities	<u>1,338,401</u>	<u>75,334,229</u>	<u>71,426,033</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,593,659)	55,819,029	77,472,657
Effect of exchange rate translation on cash and cash equivalents	2,727,270	1,581,770	3,940,658
	<u>(10,866,389)</u>	<u>57,400,799</u>	<u>81,413,315</u>
Cash and cash equivalents at beginning of period/year	<u>155,791,576</u>	<u>74,378,261</u>	<u>74,378,261</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u>144,925,187</u>	<u>131,779,060</u>	<u>155,791,576</u>

31 MARCH 2021

1 IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Caribbean Assurance Brokers Limited is a limited liability company incorporated and domiciled in Jamaica and is regulated by the Financial Services Commission of Jamaica. The registered office of the company is 94d Old Hope Road, Kingston 6, St. Andrew, Jamaica.
- (b) The principal activity of the company is to search the insurance market place for a company in which to place the insured's business for the lowest cost to the insured.
- (c) The company became listed on the Junior Market of the Jamaica Stock Exchange on 9 March 2020. Consequently the company is entitled to a remission of taxes for ten (10) years in proportions set out below, provided the shares remain listed for at least 15 years.

Years 1-5	100%
Years 6-10	50%

2 REPORTING CURRENCY:

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES:

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements.

4 EARNINGS PER STOCK UNIT:

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at end of period.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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5 SHARE CAPITAL:

	<u>2021</u>	<u>2020</u>
	\$	\$
Authorised		
Unlimited ordinary shares of no par value (2019-50,000,000)		
Issued and fully paid		
262,500,000 ordinary shares of no par value (2020 - 262,500,000) (Net of transaction costs)	<u>137,589,247</u>	<u>137,589,247</u>

6 TOP TEN SHAREHOLDERS:

	<u>Shares Held</u>	<u>% of Issued Shares</u>
Raymond Walker	107,100,000	40.80
Rion Hall & Veviene Hall	31,668,724	12.06
C&WJ Co-op Credit Union Limited	21,680,616	8.26
Dr. Karen Rajpat	18,899,952	7.20
Mayberry Jamaican Equities Limited	13,639,395	5.20
Gail Minott	13,402,600	5.10
Dr. Paul L. Brown	12,781,740	4.87
Errol Duhaney	6,985,412	2.66
Sandra Kenny	2,801,586	1.07
Barrington Whyte	1,701,500	0.65
Norman Minott	<u>1,701,500</u>	<u>0.65</u>
Total	<u>232,363,025</u>	<u>88.52</u>
Total Issued shares	<u>262,500,000</u>	<u>100.00</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

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7 DIRECTORS & SENIOR OFFICERS:

	<u>Shares Held</u>	<u>% of Issued Shares</u>
Directors:		
Raymond Walker	107,100,000	40.80
Rion Hall	31,668,724	12.06
Barrington Whyte	1,701,500	0.65
Norman Minott	1,701,500	0.65
Tania Waldron-Gooden	<u>1,570,500</u>	<u>0.60</u>
	<u>143,742,224</u>	<u>54.76</u>
Senior Officers:		
Donnisha Brooks	959,962	0.37
Carlton Raymond	78,400	0.03
Heather Muirhead-Brown	78,000	0.03
Michelle Harris	67,900	0.02
Krystal Gayle	17,200	0.01
Godfrey Heron	<u>1,759</u>	<u>-</u>
	<u>1,203,221</u>	<u>0.46</u>