



**CARIBBEAN  
ASSURANCE  
BROKERS  
LIMITED**

# Annual Report 2023

Together Towards Tomorrow



# COMPANY VALUES

## OUR MISSION

We enable our customers' continuity by protecting them from losses while delivering value to our shareholders and being a good corporate citizen.

## OUR VISION

Caribbean Assurance Brokers Limited is a client-centric, innovative, technology-enabled, employer of choice and is the #1 Insurance Broker in the Caribbean and Latin American Region in customer experience and profitability.



## CORE VALUES

Excellence

Teamwork

Accountability

Integrity

Innovation

## OUR PHILOSOPHY

**"The Team is the Theme"**



# TABLE OF CONTENTS

|                                       |       |
|---------------------------------------|-------|
| Notice of Annual General Meeting      | 6-7   |
| Chairman's Report to the Shareholders | 8-11  |
| CEO's Report                          | 12-15 |
| Our History                           | 16-17 |
| Our Directors                         | 18-24 |
| Corporate Governance                  | 26-38 |
| Management Team                       | 40-41 |





|  |              |
|--|--------------|
| <b>Production Areas</b>                | <b>43-51</b> |
| Operational Areas                      | 52-57        |
| <b>Corporate Social Responsibility</b> | <b>58-59</b> |
| Highlights                             | 60-65        |
| <b>Top 10 Shareholders</b>             | <b>66-67</b> |
| Financial Statements                   | 68-106       |
| <b>Proxy Form</b>                      | <b>107</b>   |

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **ANNUAL GENERAL MEETING OF CARIBBEAN ASSURANCE BROKERS LIMITED** will be held on **Wednesday July 24, 2024**, at **10:00am** at **The Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5**. The AGM will consider and, if thought fit, pass the following resolutions:

1. **To receive and consider the Directors' Report, the Auditor's Report and the Audited Financial Statements of the Company in respect of the year ended December 31, 2023:**

**Resolution 1:**

**"THAT** the Audited Accounts together with the Reports of the Directors and the Auditors circulated, and the Notice convening the Meeting, be and are hereby adopted"

2. **Election of Directors:**

Article 104 of the Company's Articles of Incorporation provides that one-third of the

Directors, or if the number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office at each Annual General Meeting.

The Directors retiring under this Article are **Mrs. Joyce West-Johnson, Mr. Raymond Walker** and **Dr. Leo Walker**. Being eligible, they offer themselves for re-election.

**Ms. Sheraley Bridgeman**, having been appointed a Director since the last AGM to fill a casual vacancy, automatically retires at this meeting, and being eligible, offers herself for election.

**Mr. Rion Hall** has tendered his resignation as a Director, **effective June 30, 2024**.

**Mr. Kevin Donaldson**, being eligible, offers himself for election as a Director of the Company".



**The proposed resolutions are therefore as follows:**

**Resolution 2(a):**

**“THAT Directors Joyce West-Johnson, Raymond Walker and Leo Walker, who retire by rotation and are eligible for re-election, be and are hereby re-elected, en bloc, Directors of the Company”.**

**Resolution 2(b):**

**“THAT Sheraley Bridgeman, having been appointed a Director since the last AGM to fill a casual vacancy, automatically retires at this meeting, and being eligible, offers herself for election”.**

**Resolution 2(c):**

**“THAT Kevin Donaldson, being eligible, offers himself for election as a Director of the Company”.**

**3. To appoint Auditors and authorize the Directors to fix the remuneration of the Auditors:**

**Resolution 3:**

**“THAT BDO Jamaica, having agreed to continue to serve as auditors, be and is hereby appointed Auditors of Caribbean Assurance**

**4. To ratify dividends and declare them final for the year 2023.**

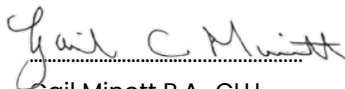
Brokers Limited, to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors of the Company.”

**Resolution 4:**

**“THAT the dividend of JMD \$0.0267 paid on October 26, 2023, be and is hereby ratified and declared as final for the year ended December 31, 2023.”**

**5. To consider any other Resolution(s) in respect of any other business which can be transacted at an Annual General Meeting.**

Dated this 24th day of May 2024  
By Order of the Board

  
Gail Minott B.A., CLU  
**Company Secretary**

Registered Office  
94D Old Hope Road  
Kingston 6

**Please note:** A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. Such proxy must be lodged at the Company's Registered Office no less than forty-eight hours before the time appointed for the meeting. The Proxy Form shall bear the stamp duty of J\$100.00. A proxy need not be a member. The stamp duty may be paid by adhesive stamp(s) to be cancelled by the person executing the Proxy Form. A suitable form of proxy is enclosed for your convenience.

# CHAIRMAN'S REPORT TO THE SHAREHOLDERS

**RAYMOND H. WALKER, CLU, MBA, B.Sc.**  
Founder and Chairman





Valued Shareholders,

I am honoured to present the Chairman's Report on the company's performance for the year ended December 31, 2023. I must add that if Caribbean Assurance Brokers Limited (CAB) was the USA, I was its President, and this was the State of the Union Presentation, I would start and end with this one paragraph:

*Ladies and Gentlemen, the State of the Union is strong, we are on a solid foundation, and above all, we are poised for tremendous growth.*

Obviously, I am not the President of the USA, this is not the USA and needless to say, this is not a State of the Union speech. However, I can declare most unequivocally, that **CAB is strong, we are on solid foundation, and above all, we are poised for tremendous growth.** I wish to also share with you the major challenge that we faced during the year of review, resulting in us being late with the submission of our audited financial statements to the Jamaica Stock Exchange (JSE) and the Financial Services Commission (FSC) for the first time since listing on the Junior Market of the JSE back in March 2020.

As you may recall, the past year has been a period of significant transition for our company. In April 2023, our former CEO resigned, which prompted me to step out of retirement to lead CAB once again, as interim CEO.

Recognizing the importance of strong leadership for our future success, we partnered with BDO Consulting to conduct a thorough search for a new CEO.

While our management team possesses many strengths, we identified the need for fresh expertise and vision to drive our strategic objectives. Consequently, we undertook a realignment of our management structure, preparing for the arrival of our new CEO in January 2024. This process included recruiting key members to form a robust and dynamic leadership team.

On October 1st, we welcomed our new Chief Operating Officer (COO), followed by the appointment of our Compliance, Risk, and Data Protection Manager on November 1st. Further bolstering our administrative and marketing teams, we completed additional key hires by the end of 2023.

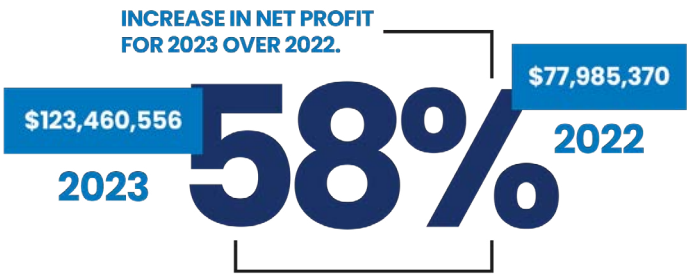
Although our new Chief Financial Officer (CFO) also joined us in January 2024, she faced the immediate challenge of integrating into a new financial system alongside a relatively new finance team. Despite these hurdles, we remained committed to maintaining the highest standards of financial integrity and transparency. Unfortunately, these transitions led to the delayed submission of our audited financial statements to the JSE and the FSC.

We appreciate your support and patience as we navigated these changes. With our newly strengthened management team, we are well-positioned to achieve our strategic goals and drive long-term value for you, our shareholders.

The Board is thankful to and proud of the Chairman and team members of our Audit & Finance Committee, and the CFO and members of her team for their tremendous efforts under challenging conditions. I must also use this opportunity to thank all the managers and staff, marketing, sales, and technical support teams for the tremendous sacrifices they have made on behalf of the Company during this period. Without them, none of this would have been possible. Their dedication to the Company, especially during these challenging times, is quite profound. The company, undoubtedly, owes them all a debt of gratitude.

Despite the challenges faced during this turbulent period, CAB remained resolute in its quest to enhance shareholder value. We not only significantly increased our profitability over 2022 but also began reengineering our management team and the organization, and also embarked on other strategic initiatives to drive phenomenal growth in revenue, net income, earnings per share, and more, over the next three to five years.

Indeed, in 2023 Caribbean Assurance Brokers Limited achieved net profit of \$123,460,556, an increase of \$45,475,186 or 58.3% over the \$77,985,370 earned in 2022. This is quite remarkable given the challenges, as it follows a 38.9% increase in net profit for 2022 over 2021.



I must once again express my sincere gratitude to our Shareholders for their foresight in selecting a true winner, in which to invest and for their unwavering commitment to CAB.

As Chairman, it has been a pleasure working with a Board of Directors, who, through their various talents and strengths, has come together and worked as a cohesive body to ensure the well-being of this company, its staff, and other stakeholders.



I must use this opportunity to thank them for directing the affairs of the company and ensuring that plans are constantly being executed to meet the needs of our customers.

On this note, I wish to acknowledge the tremendous contribution and service that one of our members, Mr. Rion Hall, has made to CAB since its inception. Rion is a foundation shareholder and Board member, who while he remains a shareholder of CAB, has resigned from the Board effective June 30, 2024. Please join me in wishing Rion: 'Farewell and God's Richest Blessings'. Please also note that Mr. Kevin Donaldson was invited to be a member of the Board effective July 1, 2024, to which he has accepted. I am sure that you will also join me in welcoming Kevin, who brings with him a wealth of knowledge and experience in insurance, finance, investments and entrepreneurship. Welcome Kevin.

Last but by no means least, I must once again, thank you, our valued Shareholders for believing in the Company's vision and steadfastly supporting it.

On behalf of the Board of Directors, we are grateful for all that CAB has accomplished during 2023 and now look to the rest of 2024 with renewed optimism, given the foundation that has been established.

Thank you.

A handwritten signature in black ink, appearing to read 'R. Walker', written in a cursive style.

Raymond H. Walker, CLU, MBA, B.Sc.  
Chairman & Founder

**Ms. Sheraley Bridgeman, ACII, MBA**  
Chief Executive Officer and Executive Director



# CHIEF EXECUTIVE OFFICER'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

I am thrilled to present to you the highlights of Caribbean Assurance Brokers' strategic pillars for the year 2024. Building upon the significant progress and transformative initiatives of 2023, we are poised for even greater achievements as we chart a course towards sustainable growth and enhanced shareholder value.

A cornerstone of our strategy for 2024 is the restructuring of our management team, realignment of our portfolio mix, and the expansion of our sales force. Our philosophy of "The Team is the Theme", shows that we recognize that our leadership and sales professionals play a pivotal role in driving revenue and fostering customer relationships. Through strategic investments in empowering our sales force with the necessary tools, training, and resources, we are strengthening our ability to capture market share, penetrate new territories, and seize emerging opportunities.

In parallel with our efforts to expand our sales force, we are prioritizing the exploration and penetration of unique markets. By deploying targeted marketing

strategies and offering tailored insurance solutions, we aim to establish a foothold in niche markets, thereby diversifying our revenue streams and mitigating risk.

Continuing our digital transformation journey, in 2024 Caribbean Assurance Brokers (CAB) will be expanding our distribution channels to include E-commerce. This initiative will provide customers with convenient and accessible avenues to engage with our brand and seamlessly make payments online. Our E-commerce endeavours will not only enhance our reach and visibility but also position us for sustained growth in the dynamic online marketplace.

Furthermore, we remain steadfast in our commitment to operational excellence and efficiency. Our focus is on gaining productivity and profitability through targeted initiatives aimed at reducing costs and optimizing processes. By embracing paperless solutions and leveraging technology to streamline our operations, we not only reduce our environmental footprint but also enhance our agility and responsiveness to market dynamics.

Looking ahead, we are confident that the strategic initiatives for 2024 will serve as a solid foundation for CAB's sustained success and continued value creation. On behalf of the entire leadership team, I extend my sincere gratitude to our dedicated staff and shareholders for their unwavering support and confidence in our vision.



## COMPANY'S PERFORMANCE FOR THE YEAR ENDED DECEMBER 2023

At the end of the year, Net Profit increased by \$45.4 million over the prior year. The company earned a total income of \$542.7 million compared to \$505.9 million for the comparative year; an increase of \$36.9 million (7%). The growth was because of improved sales efforts across all four of the company's divisions which contributed to a cumulative increase of \$32.7 million (7%) in commission income. However, in other operating income, the year over year increase of \$21.3 million (58%) was driven by the positive impact of foreign exchange gain and interest income. Total income was adversely impacted by an expected credit loss impairment of \$17.1 million during the year under review.

The 7% increase in commission income was mainly attributable to the General Insurance Division which contributed 56% over the prior year, while the Employee Benefits Division contributed 8%. The Individual Life Division remained relatively flat and the International Insurance Division decreased by 6% below the prior year.

Operating expenses of \$413.7 million for the year ended December 31 2023 was \$12.9 million or 3% below 2022 operating expenses of \$426.5 million. The area that contributed to the decrease in expenses primarily

included staff costs and Directors remuneration which decreased by \$24.3 million or 8% in total.

Finance charges of \$4.9 million for the financial year saw an increase of \$1.1 million (27%) and this was primarily due to an increase in loan interest expenses of \$2.1 million which was offset by the reduction in interest expense on the lease liability of \$1 million.

The company had a tax charge \$0.6 million, reflecting an increase of \$3.1 million above the comparative period.

The total assets of the Company increased to \$1.04 billion up from \$706.5 million for the 2022 year-end; an increase of \$331.2 million or 47%. This increase was mainly attributed to an increase in receivables and cash and cash equivalents.

A \$221.6 million increase in liabilities, directly linked to an increase in premiums booked for the year; offset against a \$6.8 million reduction in lease liabilities, resulted in an uptick of \$214.8 million or 88% increase in total liabilities.

The Company's total equity increased to \$579.6 million as at December 31 2023, up from \$463.1 million as at the 2022 year end. The net increase of \$116.5 million or 25% is reflective of a dividend payment (\$7.01 million) made during the third quarter.

## 2023 FINANCIAL YEAR HIGHLIGHTS



**Revenue**  
**\$501.8 Million**

Revenue growth up **7%** year over year.



**Gross profit**  
**\$129.0 Million**

Gross Profit grew by **63%** year over year.



**Net Profit**  
**\$123.4 Million**

The financial year ended December 31, 2023, our net profit grew by **58%** year over year.



**EPS**  
**\$0.47**

EPS (Earnings Per Share) is up **57%**

# OUR HISTORY

Caribbean Assurance Brokers Limited (CAB) was incorporated in June 2005 and began operations on November 1st as a local and facultative placement broker for Life, Health and Personal Accident insurance business. CAB is the brainchild of its current Chairman, Raymond Walker, who from the outset had a vision of an organization that would be synonymous with innovation. Operating initially out of a humble office space with a staff of eleven (11), the company by June 2006 doubled its staff and added General Insurance (Property, Liability, Pecuniary Loss, Motor, Marine, Aviation & Transport, Professional Indemnity, and Consequential Loss), along with its flagship product, International Comprehensive Health Insurance Programme (ICHIP). We also added International Life & Travel, Individual Health & Life Insurance, Employee Benefits and Credit Union related products to our portfolio.

From a staff complement of 11, we now boast a staff of approximately one hundred and six (106), with one of the largest broker managed Employee Benefits portfolios and the largest International Health

Insurance portfolio. Our General Insurance team comprises qualified and technically sound insurance practitioners with expertise in Risk Management solutions for all aspects of corporate and commercial business activities. Indeed, our combined team has over 400 years of experience in the General, Life and Health Insurance business. Our strategic alliances and partnerships with international broking operations in Britain and the United States provide access to all major world insurance and re-insurance markets.

Today, we can truly declare that the original vision of CAB being synonymous with innovation has become a reality. Over the years we have been first in many critical success areas: i) CAB is the first insurance brokerage to secure the rights to the distribution of an International Health Insurance Programme (ICHIP) throughout Jamaica and the wider English-Speaking Caribbean; ii) one of the first insurance brokerages to receive in 2007, the Private Sector Organization of Jamaica (PSOJ) Job Creation Award, "In recognition of your significant investment which has led to the creation of sustainable employment opportunities";



iii) to date, we are the only entity in the entire insurance industry to be almost fully green, generating over 60% of our own energy needs via photovoltaics; and iv) the first insurance brokerage to effectively reduce its carbon footprint by retrofitting and designing its office building to access maximum natural sunlight, to mitigate rainwater flooding, to use exclusively LED lights and Inverter Air Conditioning units, among other things.

CAB has evolved, effecting substantial strides over its seventeen years of operation. Being forward thinking and resourceful has allowed the company to be resilient in uncertain times. We have never wavered in our commitment to staff development, the introduction of unique products and services to the market, and delivering the highest quality customer care to our clients, first time, on time, every time.



# OUR DIRECTORS

**1** **Raymond H. Walker**  
Executive Chairman

**3** **Barrington Whyte**  
Non-executive Director

**5** **Rion B. Hall**  
Non-executive Director

**2** **Ms. Sheraley Bridgeman**  
C.E.O. & Executive Director

**4** **Janice P. Holness**  
Non-executive Director





**6** **Jennifer Rajpat**  
Non-executive Director

**7** **Norman Minott**  
Non-executive Director

**8** **Joyce West- Johnson**  
Non-executive Director

**9** **Dr. Leo Walker**  
Non-executive Director

**10** **Gail Minott**  
Company Secretary







**Raymond H. Walker,**  
CLU, MBA, B.Sc.,  
Founder and Chairman

Raymond has led a distinguished sales and marketing career spanning some 37 years. He started in the industry as a Salesman at the then Life of Jamaica and quickly moved up the ranks to Vice-President of Marketing. He then moved on to Blue Cross of Jamaica, where as Executive Vice-President of Marketing & Services he realized that advocacy and the ultimate representation of the client would best be achieved via Insurance Broking and not so much within the confines of an insurance company.

Raymond constantly reviews strategies and initiatives designed to differentiate CAB from its competitors. Some of these initiatives have not only allowed CAB to create valuable market niches but have also expanded our reach and scope well beyond the shores of Jamaica.



**Ms. Sheraley Bridgeman,**  
ACII, MBA,  
Chief Executive Officer and Executive Director

Ms. Bridgeman brings to the organization thirty years of experience in the areas of customer service, general insurance operations, training, sales and marketing. She has a passion for service excellence, sound sales and people management background and the ability to restructure operations to achieve optimal results and customer delight.

Formerly serving as Vice President Customer Experience and Marketing at Guardian General Insurance Jamaica Limited, her leadership and strategic acumen have been invaluable. Ms. Bridgeman holds a Bachelor in Arts from The University of the West Indies, a Masters of Business Administration from Nova Southeastern University and an Associate from the Chartered Insurance Institute.

Ms. Bridgeman holds the esteemed positions of Chairman of the Board at The College of Insurance & Professional Studies, where she also serves as a Lecturer in Motor & Customer Service. Additionally, she plays an active role as a Board Member for the Jamaica Customer Service Association.



## Barrington Whyte,

MBA, B.A.

Non-executive Director, Chairman: Audit, Finance, Risk & Compliance Committee

Barrington is a consultant with NCS Financial Service Group, a financial service company with operations in the Turks and Caicos Islands. In 2016, Barrington retired as General Manager and CEO of the C&WJ Co-operative Credit Union Ltd after 22 years in that position.

He has over 40 years experience in economic research, general management, banking and finance and is a graduate of The University of the West Indies with degrees of MBA; BA; and Diploma – Management Studies. In his career in the credit union movement he served in numerous roles, including: Secretary of the Board of Directors, QNET Co-operative Society Limited; Director, and Chairman of the Investment and Finance Committee, Credit Union Fund Management Company; President, Jamaica Association of Credit Union Managers (JACCUM); and Director, Jamaica Co-operative Credit Union League.

Barrington has also served as Director and Chairman of the Audit Committee of HEART Trust NTA and Hon. Treasurer, Bible Society of the West Indies. Internationally, he has served the United Bible Societies (UBS) as: Vice Chairman of the Area Board of the Americas; Member of the Area Board Audit and Finance Committee; Member of the Global Board; and a Chairman of the Audit and Finance Committee of the Global Board. A Distinguished President & Charter Secretary of the Kiwanis Club of Liguanea, Barrington has served the Kiwanis Movement for over 35 years and was the Lieutenant Governor of Division 23 East for the administrative year 2019/2020.



## Janice P. Holness,

J.D., B.Sc.

Non-executive Director, Chairperson: Corporate Governance Committee

Janice has over 20 years of experience in financial services regulation spanning multiple jurisdictions. She is a licensed New York State Attorney-at-Law, concentrating in the areas of insurance and securities law prior to and subsequent to her affiliation with the Financial Services Commission (FSC). She is the former Executive Director of the FSC. Miss Holness, in her former capacity, oversaw the operations of the FSC, a 127- employee financial services regulator with responsibility for regulating, monitoring and supervising the insurance, private pensions and securities industries.

A graduate of St. John's University and St. John's School of Law in New York, she holds a BS degree, summa cum laude, and a Juris Doctor degree as well as a certificate from the University of Oxford, Saïd Business School.



### **Rion B. Hall,**

OD, JP, MBA.

Non-executive Director, Chairman: Remuneration & Administration Committee

Rion is a retired Banker and former General Manager of Human Resources at Scotiabank Jamaica Limited. He has over 40 years experience in banking and in his capacity as Director he brings to CAB a wealth of knowledge. Rion also currently guides the company in the areas of Human Resource and Information Technology.

Rion is a Justice of the Peace for the Parish of Kingston and is Chairman of the Disciplinary Committee for Kingston Justices of the Peace. He has also served as President of the Kingston Chapter of the Lay Magistrates' Association and President of the Lay Magistrates' Association of Jamaica (LMAJ).

Rion has served in the roles of Treasurer and Secretary of the Resources and Development Committee of the Jamaica Methodist District, a Director of the District Company and Alternate Lay Representative to the Connexional Conference of the Methodist Churches in the Caribbean and the Americas (MCCA). He also worked as a member of the Industrial Disputes Tribunal (IDT).

Rion was also Director and Chairman of the Golden Age Home, a member of the Management Committee of the Mentorship Programme at the University of the West Indies and has served on the School Boards of Vaz Preparatory School and St. George's College.



### **Jennifer Rajpat,**

B.Sc., ACS, AIAA, FLMI, ACII

Non-executive Director

Jennifer is a Trinidadian native and a past student of the University of the West Indies, St. Augustine Campus where she completed her Bachelor of Science Degree in Industrial Management. She worked with the Maritime Financial Group for 13 years gaining valuable experience in the General and Life Insurance Divisions. She has also worked in their Finance Company where she was involved in Consumer Loans and Mortgages. During this period, she acquired her ACII, FLMI, ACS and AIAA designations.

She currently holds the position of Vice President of Group Pension Underwriting and was previously Second Vice President of Group Pension Underwriting for Mutual of America Life Insurance of New York, and brings to the Board a wealth of experience and technical expertise.





**Norman Minott,**  
LLB (Hons.)  
Non-executive Director

Norman is a well-known Real Estate Attorney with over 40 years practicing experience in the legal fraternity. He holds a Bachelor of Laws Degree (LL.B) with Honours from the University of the West Indies. He is a past Managing Partner of Myers, Fletcher & Gordon. He is acknowledged as an authority in the areas of Construction, Real Estate, Trust, Estates and Probate; and has represented several of the more prominent local real estate developers and financiers. His experience spans Commercial, Residential and Resort Developments. He has published and presented several papers on the Stamp Duty and Transfer Tax Acts, the Real Estate Dealers and Development Act, and the Registration of Strata Titles Act of Jamaica.

Norman currently serves on the board of several private companies and is a former member of the Coffee Industry Board and Past President of the Jamaica Motoring Club. He has also served as Legal Advisor to the Jamaica Chamber of Commerce and other Civic Associations.



**Joyce West-Johnson,**  
FCA, FCCA, M.Sc, B.Sc,  
Non-executive Director

Joyce has worked with C&WJ Co-Operative Credit Union Limited for 26 years, gaining sound understanding of the principles and philosophy of a Credit Union. She has held positions as the Chief Financial Officer, Chief Operating Officer and now, the Chief Executive Officer of C&WJ. She is a Fellow of the Institute of Chartered Accountants of Jamaica (FCA), and a Fellow of the Association of Chartered Certified Accountants (FCCA). Joyce holds a Bachelor of Science Degree in Accounting and Economics, and a Master of Science Degree in Accounting from the University of the West Indies, Mona. She also holds an Executive Certificate in Management and Leadership from Massachusetts Institute of Technology (MIT).

Joyce has served on the Board of the St. Andrew Justice of the Peace Association and as Secretary of the Governor General Program of Excellence for the Parish of St. Andrew.



**Dr. Leo Walker,**  
MBBS, DM  
Non-executive Director

Dr. Leo Alexi Walker is an accomplished and passionate specialist/ consultant obstetrician and gynaecologist (OBGYN). Having pursued and completed a fellowship in Maternal Foetal Medicine between 2019-2021, he is currently among less than ten trained professionals on the island. Maternal Foetal Medicine is an area that deals with ultra-high risk or complicated pregnancies, focusing on interventions designed to screen for and limit morbidity and mortality associated with those complications.

Dr. Walker currently has two Private Practices, finds time to instruct medical students on the foundation of obstetrics and gynaecology, leads exam review sessions for other aspiring doctors; and is also a Director of Virsag Limited.

His main objective is to continue to provide outstanding holistic care with a detailed and dedicated approach while maintaining communication and confidentiality.



**Gail Minott,**  
B.A., CLU  
Company Secretary

Gail has worked in the insurance industry in sales and marketing for over 40 years. Starting as a Sales Representative with the former Life of Jamaica, she moved into the Marketing Department as Assistant Vice President. At CAB, Gail has held the posts of Director of Administration and Director, International Insurance Division. She has served as Company Secretary since CAB's inception in 2005.

A former Director of CAB, Gail assists the Board in the execution of critical administrative and governance functions which demand a high degree of compliance and ethical conduct.



**TOGETHER  
TOWARDS  
TOMORROW**



# CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

At CAB, our Corporate Governance Policy <https://www.cabjm.com/investor-relations/> is developed to ensure and instill trust, confidence and credibility with stakeholders and contribute to the success of our bottom line. As such, corporate governance is central to the effective and efficient operation of our company and shapes both the long-term direction and day-to-day operations of the company, thereby playing an essential role in the company's success or failure.

CAB's Board of Directors (Board) represents and promotes the shareholder's interest and is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management to ensure a standard set of expectations as to how the Board, its committees and management direct and control the company. The Board is committed to delivering a holistic performance that embraces corporate responsibility toward the company's shareholders. To this end, the Board is responsible for ensuring that management competently executes its responsibilities and regularly monitors the effectiveness of policies and their implementation and management's decisions, including the execution of its strategies.

## BOARD TERMS OF REFERENCE

The Board operates pursuant to its Terms of Reference <https://www.cabjm.com/investor-relations/>. In its general oversight and providing guidance for the company, the Board makes decisions, reviews and approves policies and critical decisions of the company in relation to:

- Strategic planning
- Finance, financial reporting and audit
- Risk management
- Remuneration of Directors and Executives
- Compliance
- Appointment and removal of Directors
- Corporate citizenship and ethics
- Business development, significant investment and disposal

The Board comprises Executive Directors and Non-Executive Directors. An Executive Director is a director who is employed by the company and has responsibility for aspects of the company's day-to-day operations. Non-Executive Directors have no responsibility for aspects of the company's day-to-day operations.

## **SELECTION AND COMPOSITION OF THE BOARD**

The Board comprises nine (9) Directors (2 Executive Directors and 7 Non-Executive Directors). Its composition is such that the Directors background, expertise and discipline satisfy the diversity in skills and characteristics required to competently and successfully execute the responsibilities of the Board and in the interest of all stakeholders. The Board, in its composition, demonstrates its commitment to diversity, equity and inclusion (DEI). At the end of April 2023, CEO and Executive Director Tania Waldron-Gooden resigned from the company and is no longer a member of the Board of Directors. Following her departure from the company, the duties of the CEO were assumed by Mr. Raymond Walker, Executive Chairman of the Board, and an Executive Director. Based on Mr. Walker's status as an Executive Director, and in keeping with the JSE Rule, Board Member/Director Barrington Whyte was selected as Lead Independent Director.

The executive search for Mrs. Tania Waldron-Gooden's replacement commenced shortly after and was completed in September 2023 with an offer extended to Ms. Sheralee Bridgeman who accepted with a starting date of January 2024. The company also beefed up its executive management team with the appointment of a COO – Ms. Donna Brown, who joined the company in October 2023.

## **DIRECTORS TRAINING**

The Board recognizes the importance of training for its Directors. To this end, the company organizes mandatory training, at least annually, in the areas of anti-money laundering and counter financing of terrorism (AML/CFT) and/or Directors fiduciary role and responsibility, as well as encourages Directors to augment this training with self-directed learning in a wide cross-section of areas to enhance their contribution to the Board, by keeping abreast of current trends, best practices and standards.

## COMMITTEES OF THE BOARD

There are three (3) committees of the Board:

- Audit, Finance, Risk & Compliance Committee (AFRC)
- Corporate Governance Committee (CGC)
- Remuneration & Administration Committee (R&A)

## ATTENDANCE AT BOARD, COMMITTEES AND ANNUAL GENERAL MEETINGS

| Directors in Attendance         | BOARD | AFRC | REMUNERATION<br>& ADMINISTRATION | CORPORATE<br>GOVERNANCE | AGM |
|---------------------------------|-------|------|----------------------------------|-------------------------|-----|
| Number of Meetings held in 2023 | 11    | 6    | 2                                | 2                       | 1   |
| Raymond Walker                  | 11    | 5    | 1                                | N/A                     | 1   |
| Tania Waldron-Gooden*           | 2     | 2    | N/A                              | N/A                     | 0   |
| Rion Hall                       | 8     | N/A  | 1                                | N/A                     | 0   |
| Janice Holness                  | 11    | 6    | 2                                | 2                       | 0   |
| Norman Minott                   | 10    | 6    | N/A                              | 2                       | 1   |
| Jennifer Rajpat                 | 9     | N/A  | N/A                              | 2                       | 0   |
| Leo Walker                      | 11    | N/A  | 2                                | N/A                     | 1   |
| Joyce West-Johnson              | 8     | 3    | 2                                | N/A                     | 1   |
| Barrington Whyte                | 11    | 6    | 1                                | N/A                     | 1   |
| Desmond Taffe **                | N/A   | 5    | N/A                              | N/A                     | N/A |

\* Tania Waldron-Gooden's resignation as CEO and from the Board became effective on April 30, 2023

\*\* Mr. Taffe is an external member on the AFRC Committee and is not a Director of CAB

Key employees are invited to attend Board and Committee meetings to provide needed information on matters being discussed in relation to the areas of their leadership.



CAB has embarked on an aggressive mission to utilize its resources, human and financial, to transform the organization to higher levels of efficiency, effectiveness and prosperity. As a result, Strategic Alignment Limited was invited to present to the Board and to Executive Management at CAB’s annual retreat which occurred on November 16–19. Strategic Alignment Limited is a strategy management consulting firm whose mandate is to transform organizations, including strategic articulation, strategic governance and leadership. Mr. Robert Wynter and Ms. Nikoda Campbell of Strategic Alignment, facilitated us in developing our strategies as to how CAB could achieve this transformation, including a three-year plan to increase net profit and return on shareholders’ equity, strengthening board governance and becoming better corporate citizens.

AUDIT, FINANCE, RISK & COMPLIANCE

The AFRC Committee, established pursuant to Rule 504 (2)(b) of the JSE Junior Market, operates pursuant to its **Terms of Reference** <https://www.cabjm.com/investor-relations/>. It comprises majority of independent non-executive directors as its members and is mainly “responsible for reviewing and recommending for approval the Audited Financial Statement of the Junior Market Company.”

MEMBERS OF THE COMMITTEE

Members of the **AFRC** Committee for the financial year 2023 were:

|                           |                    |                                       |
|---------------------------|--------------------|---------------------------------------|
| Barrington Whyte          | Chairperson        | (Independent Director)                |
| Norman Minott             | Deputy Chairperson | (Independent Director)                |
| Ms. Janice Holness        | Member             | (Independent Director)                |
| Mrs. Joyce West-Johnson   | Member             | (Independent Director)                |
| Desmond Taffe             | External Member    |                                       |
| Mr. Raymond Walker        | Member             | (Chairperson CAB, Executive Director) |
| Mrs. Tania Waldron-Gooden | Member             | (CEO CAB, Executive Director)         |
|                           |                    | <i>Resigned April 30, 2023</i>        |

During the year, six meetings of the Committee were held.

## ACTIVITIES OF THE COMMITTEE

### External Audit

The Committee met with BDO, the Company's external auditors, to receive the Report on the 2022 Audit and details of the Auditors finding. The main items of the report and findings were:

- I. Advisement that independence and ethical requirements were met and rotation of the Engagement Partner in the next audit period.
- II. The Scope and timing of the Audit.
- III. Significant areas of the Audit.
- IV. Significant accounting policies.
- V. Risks associated with the significant areas of the Audit.

The Auditors reported that they encountered no significant difficulties or significant corrections during the audit and that they had the full cooperation of management and reported no issues of major concern.

Based on those discussions and the Auditors Report and Opinion set out in the Financial Statements, the AFRC Committee recommended to the Board of Director, the approval of the 2022 Financial Statements.

The Committee also received and reviewed the External Auditor's management letter, the administrative response to the letter, and satisfied itself that the responses were satisfactory and that the recommendations were implemented where appropriate.

### Internal Audit

During the year, CAB instituted a more rigorous internal audit process with the appointment of an Internal Audit Consultant. Internal audits were conducted in the following areas:

- I. Policies and procedures documentation and approval
- II. Custody of cash
- III. Recording and accounting for assets and revenues
- IV. HR and Administration
- V. Business Continuity

The Committee reviewed management's response to the internal auditor's findings and recommendations.

### Finance

In the execution of its function as the Finance Committee of the Board, during the year the Committee undertook the following activities:

- I. Reviewed the quarterly financial statements prepared for submission to the JSE Junior Market and recommended to the Board for approval.
- II. Reviewed the Management Discussions and Analysis (MD&A) prepared by Management for submission to the JSE and recommended to the Board for approval.
- III. Reviewed the quarterly financial position of the Company and made recommendations to the Board on Asset Liabilities Management (ALM) issues including liquidity management.
- IV. Reviewed the overall financial performance of the Company and the different lines of business and products and services and made recommendations to the Board.
- V. Reviewed investment plans and recommended them for approval.
- VI. Reviewed the Annual Budget and Financial Plans and recommended to the Board for approval.

## Compliance

The Committee assisted the Board of Directors in ensuring that the Company was compliant with all applicable laws and regulations relating to the legal operations of the Company, including but not limited to the Company's Act, the Rules of the JSE Junior Market, the Insurance Act and its Regulations, the Proceeds of Crime Act (POCA) and Terrorism Prevention Act (TPA). Specifically, the Committee assisted the Board in ensuring that:

- I. The Board appointed a Nominated Officer (Compliance Officer) with the ability and capacity to undertake the responsibility for the ongoing monitoring of the AML/CFT/CFP duties of the Company.
- II. The Company had in place policies and procedures relating to the AML/CFT/CFP requirements of the FID and FSC.
- III. The requirements for an Annual Independent AML/CFT audit were met.
- IV. It reviewed the Compliance Reports submitted by management and that all monthly, quarterly and annual statutory compliance requirements were met by the Company.

## Risk Management

In the area of risk management, the Committee provided assistance to the Board of Directors and management in the continued implementation of the Company's Enterprise Risk Management framework and the Enterprise Risk Management Policy. Specifically, the Committee assisted the Board as follows:

- I. Reviewed the updated Enterprise Risk Management Policy prepared by Management.
- II. Ensuring that risk reports from management reflect the major risks faced by the Company, and that they are being managed within the available resources of the Company.



REMUNERATION & ADMINISTRATION COMMITTEE

The Remuneration & Administration Committee (R&A) was constituted in keeping with the regulations of the Jamaica Junior Stock Exchange (JJSE). In accordance with its Terms of Reference, the Committee assumes the following responsibilities:

- Advises and assists the Board concerning compensation for the Board members and Executive Management of the company.
- Makes recommendations to the Board on policies related to compensation and incentives.
- Ensures the implementation of policies and reviews decisions relating to human resources, staff welfare and general administration of the company’s departments, including Information Technology, Disaster Preparedness, Knowledge and Talent Development.
- Reviews policies to ensure that the company attracts and retains the best talents available to it, in order to achieve the highest levels of customer service and to maximize shareholders’ value.

The Committee, which is required to meet at least twice per year, convened two meetings in 2023.

The R&A Committee members are:

|                    |                    |                        |
|--------------------|--------------------|------------------------|
| Rion Hall          | Chairperson        | Non-Executive Director |
| Joyce West-Johnson | Deputy Chairperson | Non-Executive Director |
| Janice Holness     |                    | Non-Executive Director |
| Barrington Whyte   |                    | Non-Executive Director |
| Dr. Leo Walker     |                    | Non-Executive Director |

### The Committee completed the following calendar of activities in 2023:

- Comprehensively reviewed the Human Resources and Administration policies and made recommendations to management for supporting the desired organizational culture.
- Reviewed the Data Protection Policy and made recommendations to enhance data security;
- Reviewed the updating of CAB's Human Resources manual and handbook and made recommendations to enhance content and effectiveness.
- Reviewed the Employment Policy and made recommendations to the Board for approval.
- Directed that a review of CAB's Salary Scales and Code of Conduct be undertaken and presented to the Committee for sign off.
- Reviewed the Data Security Policy Document and made recommendations for upgrades.
- Reviewed the existing policy guidelines relating to Disaster Preparedness and made recommendations for risk mitigation and recovery.
- Reviewed the recently updated Code of Conduct and made recommendations for enhancement.
- Developed and recommended the approval of the Compensation Policy. This was approved by the Board.
- Reviewed the relevant sections of the CAB Policies Register.
- Participated in the review of CAB's strategy.
- Provided oversight to the review and updating of the CAB's website, as approved by the Board.
- Conducted exit interview with the outgoing CEO.
- Provided oversight in relation to the recruitment of the new CEO.
- Reviewed and made recommendations for changes to the Compensation and Fees for Directors. This was approved by the Board and will become effective January 1, 2024.

For 2024, the Committee intends to continue its mandate, as stipulated in its Charter and by its Regulators, with priority emphasis, to ensure that the review of CAB's Policies is completed and approved by the Board.

The Committee also, recommits itself to continue to design remuneration policies and practices to support CAB's strategy and promote long-term sustainable success, with executive remuneration aligned to the company's purpose and values, which are linked to the successful delivery of its long-term strategy.

## BOARD OF DIRECTORS SKILLS & COMPETENCIES

| BOARD EXPERTISE    | Strategy | Insurance Expertise | Financial Literacy | Financial Expertise | Legal Skills & Expertise | Listing Co. Experience | HR & Compensation | Stakeholder Engagement | Leadership | Risk Management | Insurance Industry Experience | Regulatory |
|--------------------|----------|---------------------|--------------------|---------------------|--------------------------|------------------------|-------------------|------------------------|------------|-----------------|-------------------------------|------------|
| Raymond Walker     | ✓        | ✓                   | ✓                  |                     |                          | ✓                      | ✓                 | ✓                      | ✓          | ✓               | ✓                             | ✓          |
| Barrington Whyte   | ✓        |                     | ✓                  | ✓                   |                          | ✓                      | ✓                 | ✓                      | ✓          | ✓               |                               | ✓          |
| Norman Minott      | ✓        |                     | ✓                  |                     | ✓                        | ✓                      |                   | ✓                      | ✓          |                 |                               | ✓          |
| Jennifer Rajpat    | ✓        | ✓                   | ✓                  |                     |                          |                        |                   | ✓                      | ✓          | ✓               | ✓                             | ✓          |
| Rion Hall          | ✓        |                     | ✓                  |                     |                          | ✓                      | ✓                 | ✓                      | ✓          | ✓               | ✓                             | ✓          |
| Janice Holness     | ✓        | ✓                   | ✓                  |                     | ✓                        | ✓                      | ✓                 | ✓                      | ✓          | ✓               | ✓                             | ✓          |
| Dr. Leo Walker     | ✓        |                     | ✓                  |                     |                          | ✓                      | ✓                 | ✓                      | ✓          |                 |                               | ✓          |
| Joyce West-Johnson | ✓        |                     | ✓                  | ✓                   |                          | ✓                      | ✓                 | ✓                      | ✓          | ✓               |                               | ✓          |
| TOTAL              | 8        | 3                   | 8                  | 2                   | 2                        | 7                      | 5                 | 6                      | 8          | 6               | 4                             | 7          |
| PERCENTAGE         | 100%     | 38%                 | 100%               | 25%                 | 25%                      | 88%                    | 63%               | 75%                    | 100%       | 75%             | 50%                           | 88%        |

## CORPORATE GOVERNANCE COMMITTEE

Pursuant to its Terms of Reference <https://www.cabjm.com/investor-relations/>, the Corporate Governance Committee (CGC) seeks to ensure that the company's corporate governance framework is sound and consistent with best practices and global standards.

In keeping with its 2023 Schedule of Activities, the CGC completed the following initiatives:

- Prepared the 2022 Corporate Governance Report as required by the JSE for inclusion in CAB's Annual Report submission.
- Revised and updated CAB's Corporate Governance Framework (renamed, Corporate Governance Policy) and recommended for the Board's approval, <https://www.cabjm.com/investor-relations/>.
- Revised and recommended for approval, the Board's TOR <https://www.cabjm.com/investor-relations/>.
- Reviewed the various Committees' TORs to ensure they were not in conflict with the Board's TOR and provided guidance relating to the necessary revisions.
- Led the Board in discussions regarding the process and procedure to be employed for the first evaluation exercise of the Board, its Committees, Chairperson and Directors.

- Provided oversight of the 2022 calendar year Performance Evaluation exercise of the Board, its Committees, Chairperson and Directors. Evaluation exercise completed in Q1 2023.
- Kept Directors abreast of trends and global developments on industry, operational and governance matters through a series of articles circulated during the year to promote and encourage self-directed learning as a component of CAB's wider training initiative. Articles circulated were:
  - WSJ article April 2023: Global HR trends when companies decide to have a mass separation of employees – the various considerations that are front of mind today in a WFH/hybrid environment versus a previous era of everyone in the office.
  - McKinsey & Company, April 2023 Newsletter: Getting Executive Transition Right – Successfully Transitioning to New Leadership Roles .
  - NYT DealBook Newsletter, Sunday, May 14, 2023: The Leader's Dilemma.
  - New York Times, Sept 25, 2023 Technology Section: ChatGPT Can Now Respond With Spoken Words
  - Changing the Reins: Company Directors – Shaniel May Brown, Atty MFG Jamaica Observer, December 13, 2023.
- Conducted quarterly review of the Policy Register.
- Continued to update and monitor the Board Compliance Checklist.
- Commenced development of proposed procedure to address the absence of Key Employees for inclusion in the development of CAB's succession plan policy.

The Committee, which is required to meet at least twice per year, convened two meetings in 2023.

The members of the Committee for the financial year 2023 are:

Janice Holness  
Norman Minott  
Jennifer Rajpat

**Chairperson**  
**Deputy Chairman**

**Non-Executive Director**  
**Non-Executive Director**  
**Non-Executive Director**



## **ANNUAL GENERAL MEETING**

The Annual General Meeting (AGM) with shareholders is held annually, and corporate decisions are shared on a timely basis with shareholders. The meeting and its Agenda are structured to allow shareholders to provide input and feedback as well as have their questions and concerns addressed.

The 2023 AGM was held on August 18, 2023. No new Directors were appointed.

To make information available and easily accessible to its shareholders and stakeholders, the company's website includes an Investor Relations page <https://www.cabjm.com/investor-relations/>. This allows shareholders to access AGM-related information including the company's financial reports, among other relevant materials relating to the Board and its Committees.

THE  
TEAM  
IS THE  
THEME







## The Management Team

1. Ms. Sheraley Bridgeman\* - CEO
2. Ms. Donna Brown - COO
3. Mrs. Renee Edwards\* - CFO
4. Mrs. Maria SpenceHenry - Assistant Manager, General Division
5. Mr. Godfrey Heron - IT & IS Senior Manager
6. Mr. Shamar Clarke\* - Executive Branch Manager, Individual Lines
7. Ms. Aisha Ritchie - Assistant Manager, General Division
8. Mr. Andrew Grant\* - Sales Coach
9. Ms. Judane Brissett - Administrative Manager, International Division
10. Mr. Damion White\* - Senior Manager, General Division
11. Ms. Sequoia Thomas - Marketing Manager
12. Ms. Shenique McDonald\* - Product Manager, Individual Lines
13. Mr. Stewart Cockburn\* - Business Development Manager, General Division
14. Ms. Moniesha Bryan\* - Assistant Marketing Manager,
15. Ms. Michelle Harris - Senior Manager, Employee Benefits Division
16. Ms. Saffron Fletcher - Compliance, Risk & DP Manager
17. Ms. Toni Spicer - Branch Manager, Individual Lines
18. Mr. Kemar Ford - Speciality Products Manager, International Division
19. Mr. Carlton Raymond - Sales Representative and Training Facilitator

\*Hired in 2024.





# PRODUCTION AREAS

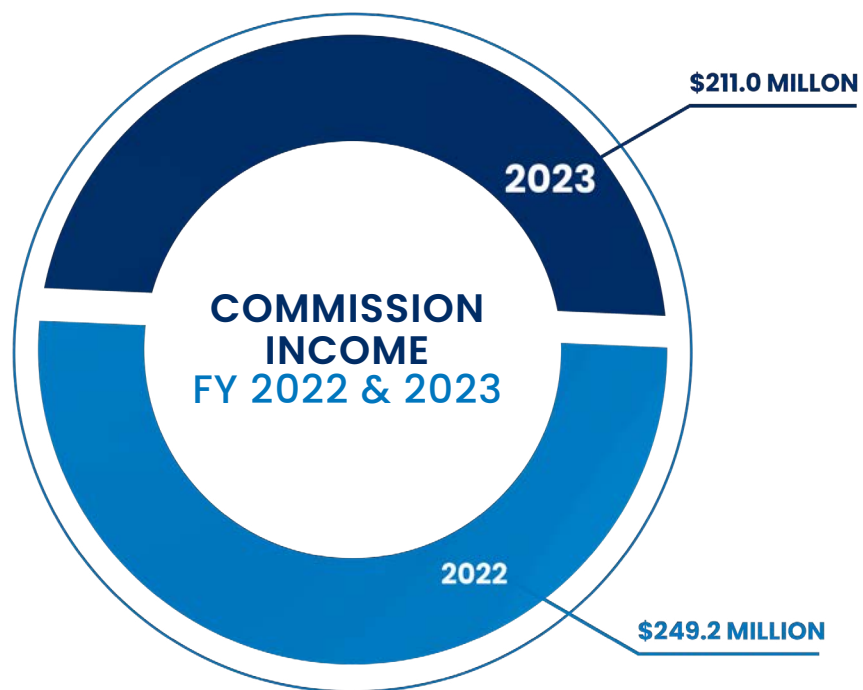


## INTERNATIONAL INSURANCE DIVISION

The International Insurance Division, remains committed to providing comprehensive solutions spanning a wide range of insurance products, including International Health, Life, Disability, Special Risks, and Travel Insurance. Each product within our extensive portfolio is meticulously crafted to meet the diverse needs of individuals and groups, reflecting our unwavering commitment to delivering comprehensive coverage.

We are proud of our products, which we are constantly reviewing and upgrading together with our specially selected partners who are highly regarded in the industry.

Despite a slight decline in revenue, with figures moving from J\$249.2 million in 2022 to J\$211.0 million in 2023, our dedicated team is highly motivated to reverse this trend.



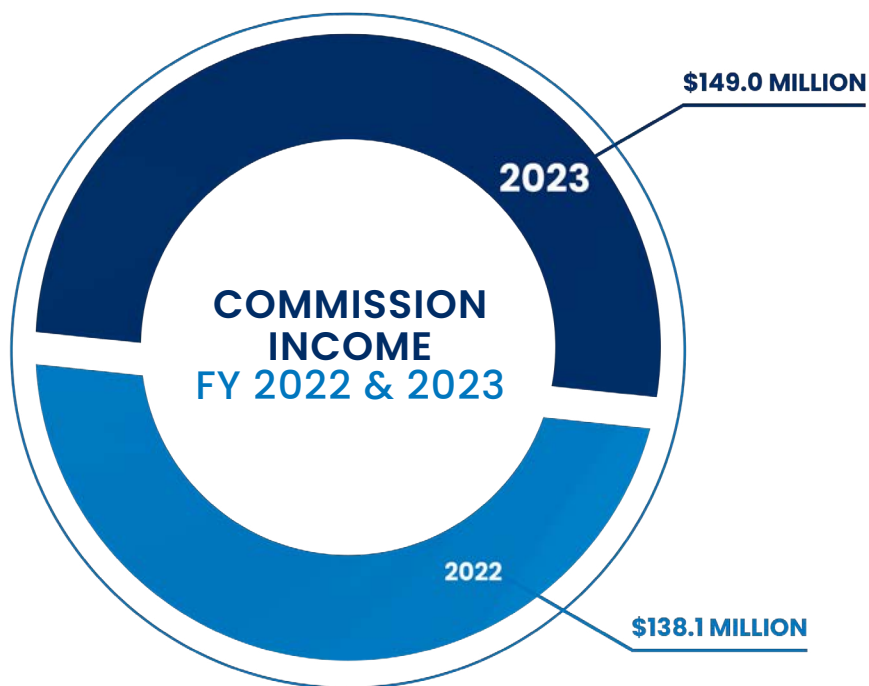




## EMPLOYEE BENEFITS DIVISION

The Division provides a wide range of products for employees, including group health, group life, group personal accident, and group pension.

Employee Benefits, inclusive of our Credit Union Gold Series, a local health insurance product designed for credit union members, increased the commission income by 8% from \$138.1 million in 2022 to \$149.0 million in 2023. This area is, therefore, responsible for 30% of the total revenue for 2023.



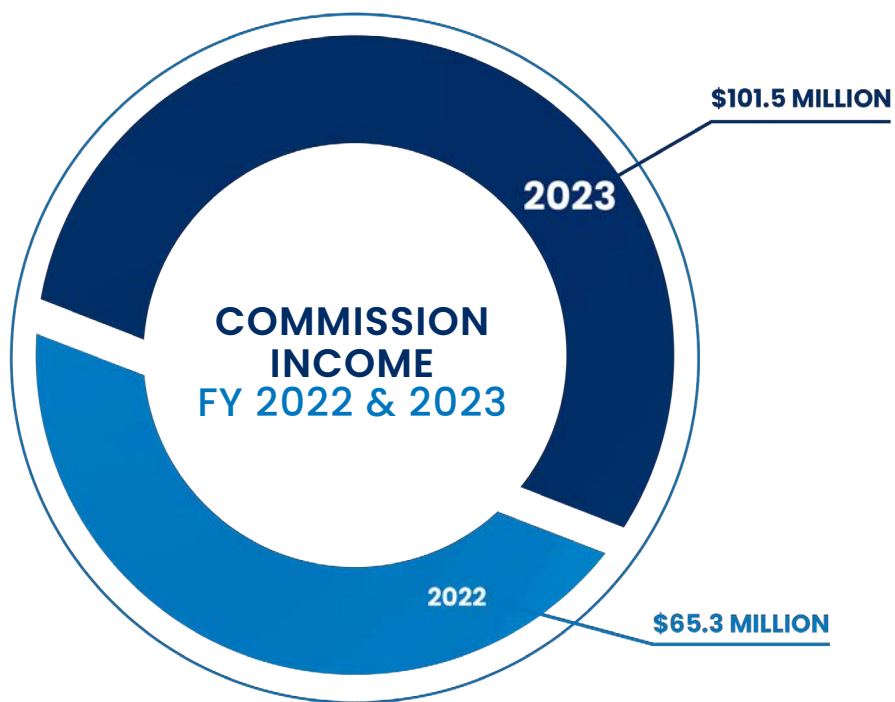
# GENERAL INSURANCE DIVISION

The General Insurance Division provides risk management solutions to our clients in respect of their personal assets such as their Homes and Motor Vehicles; as well as their businesses which include Commercial Properties, Machinery and Equipment, Business Interruption, Legal Liabilities and Cyber Security.

Additionally, Claims Advocacy is our philosophy. We manage the Claim process by guiding our clients with presenting their claim and negotiating with both the insurers and loss adjusters.

## Performance Overview

For the year ended 2023, the Commission Income was \$101.5 million which represents a 55% growth over \$65.3 million achieved in 2022.



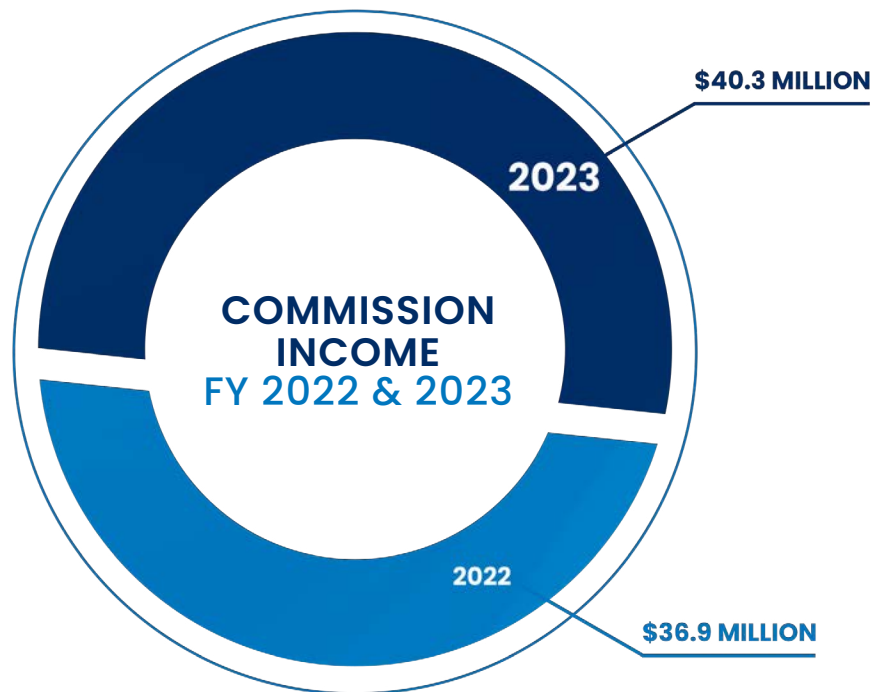




## INDIVIDUAL INSURANCE DIVISION

The Individual Insurance Division offers a range of solutions, including life protection, health coverage, investment options, and retirement plans. These comprehensive services are designed to provide peace of mind and financial security during challenging times. In addition to these benefits, individual life insurance can help cover final expenses, provide income replacement for beneficiaries, support business continuity plans, and contribute to estate planning strategies, ensuring a well-rounded approach to financial stability and long-term planning.

In 2023, Individual Health and Life products generated \$40.3 million in commission income representing a 9% increase over 2022 where the Division produced \$36.9 million in commission income. This percentage increase is expected to improve with the investments made to bolster the bottom line and value of the Division.





# OPERATIONAL AREAS



## INFORMATION TECHNOLOGY & OPERATIONS

### Caribbean Assurance Brokers Limited (CAB)

continued to navigate the rapidly changing landscape of technology in 2023, a year marked by digital innovation and enhanced customer engagement. As the world shifts further towards digital solutions, CAB has remained at the forefront, adapting and expanding its technological capabilities to meet the increasing demands of our clients and the market.

### Expanding Digital Infrastructure

In 2023, CAB launched its platform for automated renewal notices and invoices, marking an important phase in our journey towards digital transformation. While currently operational within one division, this platform is anticipated to significantly improve the efficiency of our operations once fully implemented across the company.

Despite the successful roll-out of some initiatives, certain projects like our mobile application, customer portal, and e-payment site have experienced delays. These delays were primarily due to our strategic decision to increase security measures within these platforms. In light of recent global cybersecurity trends, ensuring the security of our client's data and transactions has been our top priority. These enhancements have required additional development

time but are crucial in safeguarding our clients' interests and maintaining their trust.

### Adapting to New Technologies

2023 was also a year of significant technological shifts, particularly with the advancements in Large Language Models (LLMs) and natural language processing (NLP). Recognizing the potential of these technologies, CAB is actively exploring how to integrate these advancements into our operations. Our goal is to leverage LLMs to improve customer service interactions and streamline claims processing, thereby increasing efficiency and customer satisfaction.

### Looking Forward

As we look towards 2024, CAB is committed to completing the development of our mobile application, customer portal, and e-payment site. These platforms are not only designed to provide our customers with a seamless and secure online experience, from policy management to payment processing, but to also transition CAB to a paperless environment.

2023 was a year of both challenges and achievements for CAB. Our continued focus on security, customer-centric innovation, and strategic adoption of new technologies has positioned us well for future growth and success. We are excited about the possibilities that 2024 holds and remain committed to providing our clients with superior service and innovative solutions.



## HUMAN RESOURCE & TRAINING

The year 2023 was a pivotal one in the life cycle of Caribbean Assurance Brokers. The Human Resource Division continued to play a critical business role in supporting the strategic and operational objectives of the Company. In so doing, we ensured that we were sensitive to the needs of all stakeholders, especially our internal team members whom we supported with all the requisite resources to ensure not only their individual success but also the success of CAB and its shareholders.

At the end of December 2023, we had a staff complement of 97 with an approximate staff turnover of 5 percent. The Company embarked on a restructuring exercise to revamp its operations at all levels and strengthen its human capital in its quest to become the industry employer of choice. Arising from this process, were several management appointments including the Chief Operating Officer (COO), the Compliance, Risk and Data Protection Manager and a Human Resource Consultant. Offers were also made to a new Chief Executive Officer (CEO) and a Chief Financial Officer (CFO).

We discontinued the remote work arrangements that were aligned with the pandemic, and it was a pleasure to have all team members return to the office. The excitement was simply palpable as the team could, once again, engage in various social activities

and interact with the usual, healthy pre-pandemic camaraderie to which they had become accustomed. In furtherance of this, we re-introduced our Christmas party, which was well attended and which significantly boosted staff morale.

In addition to the above, we revamped our stimulating health and wellness programme. This included the introduction of a staff counselling session focused on mental health and well-being, in recognition of Mental Health Day. The session underlined the Company's commitment to support our employees' mental and holistic health. Our fitness programme was also revived to ensure a more structured on-site exercise programme, making it convenient and easy for team members to leave their desks and commence their exciting workout programmes, on location.

Our corporate responsibilities continued with our financial support to the Reddie's Place of Safety and participation in the annual Sagicor Sigma Corporate Run, thus promoting community collaboration and engagement.

Finally, we continued to seek new methods of increasing the efficiency and effectiveness of the HR role and service delivery to our internal partners. Against this background, we approached technical providers to submit quotations for a human resource information system (HRIS), and meetings were arranged for the necessary demonstrations of various software for assessment and consideration.

In keeping with our November 2023 strategic plan and decisions, our commitment to our mission and vision, undergirded by the Company's core values, will continue in earnest, as we seek to ensure greater talent development, employee satisfaction and engagement, diversity and inclusion!

## COMPLIANCE & RISK MANAGEMENT

The compliance function of a company serves several vital roles, including to:

- Ensure that the company and its employees comply with relevant regulatory requirements and internal policies and procedures.
- Maintain current information on regulatory requirements.
- Defend against money laundering, bribery, corruption & fraud.

As an insurance brokerage and a listed company, CAB is regulated by the Jamaica Stock Exchange (JSE), the Financial Service Commission (FSC) and the Companies Office of Jamaica (COJ). Our main objective is to ensure that we have sound corporate governance practices. To this end, we comply with all the relevant requirements to provide our clients with a service of high quality.

The primary compliance tasks completed throughout the year include:

- ICHIP Renewal Registration with FSC
- Monthly Facultative Placement Reports to the FSC
- Quarterly Facultative Placement Reports to the FSC
- Registration of New Sales Representative with the FSC
- Monthly Sales Representative Licence Renewals
- Sales Representative Termination Notification to the FSC
- Listed Entity Reports
- Proscribed Entity Reports
- Annual Payment to Jamaica Stock Exchange
- Public Procurement Commission Renewal
- Professional Indemnity Insurance Renewal
- Fidelity Guarantee Insurance Renewal
- Implementation of Data Protection Framework
- Annual renewal Tax Compliance Certificate (TCC)
- Customary verification with the Accounts Division regarding the standard statutory deductions, Payment and Annual Returns filings with Tax Administration Jamaica (TAJ) & Company of Jamaica (COJ).
- Anti-Money Laundering Training and Annual Audit

CAB fosters a relationship that facilitates open dialogue with our regulators. This ensures there is clarity on regulatory requirements, particularly concerning novel aspects of the insurance industry, as CAB continues to be an innovator in insurance.

Risk is the effect of uncertainty on objectives and can be effectively managed and understood if clearly articulated. To this end, CAB has employed a strategic approach to corporate risk management, allowing the company to consider the full range of risks it faces and examines the relationship between these risks and their cascading impact on its strategic goals.

CAB's approach is best summed up as Alla Valente of Forrester Research articulated, "we don't manage risks to have no risk. We manage risks, so we know which risks are worth taking, which ones will get us to our goal, which ones have enough of a payout even to take them."

**RISK MANAGEMENT:** • Enhancing the Company's risk framework and policies and ensuring alignment with the Company's business strategy and goals; • Identifying the principal business risks and ensuring the implementation of appropriate systems to mitigate and manage the key risks and to enable compliance with such policies. Providing Risk Management training to the Executive, Managers and select staff.

## MARKETING

### Marketing Division Overview

Caribbean Assurance Brokers Limited recognizes the pivotal role of effective marketing and communications strategies in achieving its business objectives. As such, the company entrusts the planning and execution of these strategies to its dedicated Marketing Division.

### Mission and Objectives

The primary objective of the Marketing Division is to align all marketing and communications efforts with the company's overarching goals. These goals include expanding the customer base, acquiring and retaining customers, and driving revenue, market share, and profitability growth while reinforcing the company's brand equity.

### Key Responsibilities

The Marketing Division oversees a comprehensive range of functions, including:

- Advertising
- Branding
- Public Relations
- Marketing Campaigns
- Digital and Social Media Management
- Loyalty Programme Management

## Strategic Focus

The Division focuses on several strategic priorities to achieve its objectives:

1. **Brand Reinforcement:** Strengthening Caribbean Assurance Brokers Limited's brand presence in the marketplace to enhance customer recognition and loyalty.
2. **Customer Awareness:** Increasing customer awareness of the company's products and services, emphasizing their value proposition and competitive advantages.
3. **Supporting Business Units:** Assisting various departments in surpassing their targets by providing marketing support tailored to their specific needs and objectives.
4. **Data-Driven Insights:** Leveraging industry trends and customer behavior data to inform marketing strategies and initiatives, ensuring they remain relevant and effective.

## Collaborative Approach

The Marketing Division collaborates closely with all business units to ensure alignment between marketing efforts and overall company objectives. By integrating marketing activities with operational functions, the Division enhances synergies and maximizes impact. Through strategic planning, targeted execution, and ongoing evaluation, the division contributes significantly to the company's success in achieving its growth and profitability targets.



# CORPORATE SOCIAL RESPONSIBILITY

## Together for a Better Tomorrow

At Caribbean Assurance Brokers Limited (CAB), we take our Corporate Social Responsibility seriously and actively engage in initiatives that positively impact the communities where we operate. Our commitment to this cause is evident through our continuous sponsorship and donations towards various causes.

## Education



1



2

## Community and Charity



3



4

## Sports and Youth Development



### 1-2. Read Across Jamaica

We were thrilled to participate in Read Across Jamaica Day, an initiative that underscores the importance of literacy and education. Engaging with the students at the Joseph Royal Education Centre provided a meaningful opportunity for our team to foster a love of reading and learning. We extend our heartfelt gratitude to our client partner, Smart Mobile Solutions, for their philanthropic gesture in donating tablets to two deserving students in need. Representing CAB was Ms. Sequoia Thomas, Marketing Manager and Kemar Ford, Specialty Products Manager.

### 3. Reddies Place of Safety

Our Founder and Chairman, Mr. Raymond Walker (right), proudly presented a cheque to Mr. Kingsley Simpson (left) Representative of Reddies Place of Safety, on behalf of the Caribbean Assurance Family, during our annual Christmas Staff event. Reddies Place of Safety is a non-profit organization providing a home for children who have experienced abuse, neglect, or abandonment. Reddies offers a safe and supportive environment where children live and receive care, education, and counseling services. We hold a profound dedication to championing endeavors of this nature.

### 4. JSSE 2023 Yuletide Telethon

Demonstrating our commitment to social responsibility, Caribbean Assurance Brokers proudly supported the second staging of the Jamaica Social Stock Exchange (JSSE) Yuletide Telethon, hosted by the Jamaica Stock Exchange. Underlining the overarching theme of "Theory of Change," our contribution amounted to \$100,000.

### 5. J.A.A.F.A Sponsorship

Members of the Jamaica American Football Association national Team (J.A.A.F.A) strikes a pose as they're off to represent Jamaica in the 2023 American Football International Tournament. Caribbean Assurance Brokers Limited were proud sponsors of the national team.

### 6-7. Wesley Powell Track Meet 2024

A cheque being presented by our Marketing Manager, Ms. Sequoia Thomas (left), to the Principal of The Excelsior High School, Mr. Deanroy Bromfield (right), for \$150,000 in sponsorship of the Wesley Powell Benjamins Track and Field Meet held on November 8, 2023. This year's meet marks its 20th year milestone and celebrates the pioneering of the Excelsior Track and Field Team that established Jamaica's presence at the 1960s Penn Relays.



# BUSINESS HIGHLIGHTS





## **Best Website (Junior Market) JSE Best Practices Awards 2023**

Award recipient Caribbean Assurance Brokers L-R. Donna Erica Brown (left), Chief Operating Officer, Raymond Walker (second Left), Founder and Chairman, Sequoia Thomas (second right), Marketing Manager and Godfrey Heron (right), IT and Operations Manager, award presented by Managing Director, Dr. Marlene Street-Forrest (center) from the Jamaica Stock Exchange.







## 1. ICHIP Symposium

Under the theme 'Worldwide Care,' we held our annual ICHIP (International Comprehensive Insurance Programme) Symposium. The event was utilized to connect with our ICHIP clients and share insightful information about the ICHIP programme and best practices. Leading the discussions were our International Partners." L-R. Sheraley Bridgeman, Chief Executive Officer (CAB), Roshan Choolhun, Consilium Senior Partner Delegated Risk Solutions (Lloyds Broker), Sequoia Thomas, Marketing Manager (CAB), Raymond Walker, Founder and Chairman (CAB), Krystal Gayle Former International Division Administrative Manager (CAB), Simon Buckley, Divisional Head of Accident and Health, Hamilton Insurance Designated Activity Company.

## 2. Administrative Staff Day

Our amazing and hardworking administrative staff received beautiful gift baskets on Administrative Staff Day as a token of our appreciation for their dedication and commitment to the success of our company.

## 3. Christmas Décor Competition

Our Founder and Chairman, Mr. Raymond Walker, presents a cheque to the International Department team members, winners of our Annual Departmental Christmas Décor competition.

## 4. JMEA Expo Launch

Photo Op of our Marketing Team. L-R. Tiana Locke, Marketing Officer and Sequoia Thomas, Marketing Manager, alongside The Hon. Audley Shaw, Member of Parliament for North East Manchester at the JMEA Expo Launch held on March 23, 2023, on the lawns of the Jamaica Pegasus.

## 5. Expo Jamaica

Highlights from our booth at Expo Jamaica put on by the Jamaica Manufacturing Export Association. We were able to connect with new and existing clients, while promoting our value added services.







## Client Mixer

Highlights from the Caribbean Assurance Brokers Client Mixer, held at the Audi showroom on June 15, 2023. Our clients were treated to an evening of delicious food and lively entertainment to show our appreciation for their longstanding partnership. It was a memorable night celebrating the valued relationships that drive our success.



# Caribbean Assurance Brokers Limited

## Top 10 Shareholders As at December 31, 2023

| TOP TEN SHAREHOLDERS                  | Shares Held | % of Issued Shares |
|---------------------------------------|-------------|--------------------|
| 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    | 13,977,133  | 5.32               |
| Gail Minott                           | 13,402,600  | 5.11               |
| Dr. Paul L. Brown                     | 9,119,456   | 3.47               |
| Nigel O. Coke                         | 4,044,666   | 1.54               |
| Bridgeton Management Services Limited | 3,820,631   | 1.46               |
| Nicholas D. Clarke                    | 1,918,404   | 0.73               |
| Total                                 | 225,632,182 | 85.95              |
| Total Issued shares                   | 262,500,000 | 100.00             |

## Caribbean Assurance Brokers Limited

### Directors and Senior Officers As at December 31, 2023

| DIRECTORS        | Shares Held    | % of Issued Shares |
|------------------|----------------|--------------------|
| 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               |
| Leo Walker       | 209,000        | 0.08               |
|                  | 143,742,224.00 | 54.76              |

| SENIOR OFFICERS        | Shares Held | % of Issued Shares |
|------------------------|-------------|--------------------|
| Carlton Raymond        | 78,000      | 0.03               |
| Heather Muirhead-Brown | 78,000      | 0.03               |
| Michelle Harris        | 67,900      | 0.01               |
| Sequoia Thomas         | 26,000      | 0.01               |
| Krystal Gayle          | 17,200      | 0.01               |
| Kimloy Walker          | 17,200      | 0.01               |
| Godfrey Heron          | 1,759       | 0.001              |
|                        | 164,859     | 0.05               |



# FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

# Index

Independent Auditors' report to the Members 70-73

## **FINANCIAL STATEMENTS**

Statement of Profit or Loss and Other Comprehensive Income 74

Statement of Financial Position 75

Statement of Changes in Equity 76

Statement of Cash Flows 77

Notes to the Financial Statements 78-106





Tel: (876) 926-1616/7, 926-4421  
Fax: (876) 926-7580  
www.bdo.com.jm

Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Caribbean Assurance Brokers Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Caribbean Assurance Brokers Limited set out on pages 74 to 106, which comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Jamaican Companies Act.

#### 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 *Auditors' 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Partners: S. M. McFarlane, J. Hibbert, D. Hobson, B. Yarniel, K. Heron  
Associate Partner: D. Brown

Offices in Montego Bay, Mandeville and Ocho Rios

BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Caribbean Assurance Brokers Limited

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, 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 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### Auditors' 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 auditors' 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.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Caribbean Assurance Brokers Limited

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT (CONT'D)**

To the Members of  
Caribbean Assurance Brokers Limited

**Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Balvin Vanriel.

A handwritten signature in black ink, appearing to read 'BDO', is written above the text 'Chartered Accountants'.

Chartered Accountants

3 May 2024





**CARIBBEAN ASSURANCE BROKERS LIMITED**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 DECEMBER 2023

|  | <u>Note</u> | <u>2023</u><br><u>₤</u> | <u>2022</u><br><u>₤</u> |
|--|-------------|-------------------------|-------------------------|
| REVENUE  | 6           | 501,887,948             | 469,200,710             |
| Other operating income   | 7           | 57,991,938              | 36,704,160              |
| Credit impairment losses   |             | ( 17,142,977)           | ( 22,122)               |
|  |             | <u>542,736,909</u>      | <u>505,882,748</u>      |
| Administrative and other expenses                                |             | (280,291,212)           | (280,506,168)           |
| Selling expenses   |             | (133,394,745)           | (146,036,941)           |
|  | 8           | (413,685,957)           | (426,543,109)           |
| OPERATING PROFIT   |             | 129,050,952             | 79,339,639              |
| Finance costs  | 9           | ( 4,982,312)            | ( 3,922,701)            |
| PROFIT BEFORE TAXATION   |             | 124,068,640             | 75,416,938              |
| Taxation   | 11          | ( 608,084)              | <u>2,568,432</u>        |
| <b>NET PROFIT FOR THE YEAR, BEING TOTAL COMPREHENSIVE INCOME</b> |             | <u>123,460,556</u>      | <u>77,985,370</u>       |
| EARNINGS PER STOCK UNIT  | 12          | <u>\$0.47</u>           | <u>\$0.30</u>           |

**CARIBBEAN ASSURANCE BROKERS LIMITED**  
STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2023

|                                      | <u>Note</u> | <u>2023</u><br>\$    | <u>2022</u><br>\$  |
|--------------------------------------|-------------|----------------------|--------------------|
| <b>ASSETS</b>                        |             |                      |                    |
| <b>NON-CURRENT ASSETS:</b>           |             |                      |                    |
| Property, plant and equipment        | 13          | 236,806,381          | 242,119,831        |
| Intangible assets                    | 14          | 28,798,972           | -                  |
| Deferred tax asset                   | 15          | 13,152,876           | 13,760,960         |
| Right-of-use assets                  | 16(a)       | -                    | 9,385,821          |
| Investments at amortised cost        | 17          | 65,029,426           | -                  |
|                                      |             | <u>343,787,655</u>   | <u>265,266,612</u> |
| <b>CURRENT ASSETS:</b>               |             |                      |                    |
| Receivables                          | 18          | 397,932,795          | 183,034,012        |
| Taxation recoverable                 |             | 3,524,565            | 3,493,091          |
| Cash and cash equivalents            | 19          | <u>292,438,567</u>   | <u>254,664,449</u> |
|                                      |             | <u>693,895,927</u>   | <u>441,191,552</u> |
|                                      |             | <u>1,037,683,582</u> | <u>706,458,164</u> |
| <b>EQUITY AND LIABILITIES</b>        |             |                      |                    |
| <b>EQUITY:</b>                       |             |                      |                    |
| Share capital                        | 20          | 137,589,247          | 137,589,247        |
| Capital reserve                      | 21          | 48,424,370           | 48,424,370         |
| Retained earnings                    |             | <u>393,600,350</u>   | <u>277,148,544</u> |
|                                      |             | <u>579,613,967</u>   | <u>463,162,161</u> |
| <b>NON-CURRENT LIABILITY:</b>        |             |                      |                    |
| Lease liabilities                    | 16(b)       | -                    | <u>6,838,895</u>   |
| <b>CURRENT LIABILITIES:</b>          |             |                      |                    |
| Payables                             | 23          | 401,254,413          | 181,892,907        |
| Current portion of loans             | 22          | 56,815,202           | 51,343,142         |
| Current portion of lease liabilities | 16(b)       | -                    | <u>3,221,059</u>   |
|                                      |             | <u>458,069,615</u>   | <u>236,457,108</u> |
|                                      |             | <u>1,037,683,582</u> | <u>706,458,164</u> |

Approved for issue by the Board of Directors on 30 April 2024 and signed on its behalf by:

  
Raymond Walker - Chairman

  
Barrington Whyte - Director

**CARIBBEAN ASSURANCE BROKERS LIMITED**  
STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2023

|                                    | <u>Note</u> | <u>Share<br/>Capital</u><br>£ | <u>Capital<br/>Reserve</u><br>£ | <u>Retained<br/>Earnings</u><br>£ | <u>Total</u><br>£  |
|------------------------------------|-------------|-------------------------------|---------------------------------|-----------------------------------|--------------------|
| <b>BALANCE AT 31 DECEMBER 2021</b> |             | 137,589,247                   | 48,424,370                      | 202,523,164                       | 388,536,781        |
| <b>TRANSACTION WITH OWNERS</b>     |             |                               |                                 |                                   |                    |
| Dividend paid                      | 25          | -                             | -                               | ( 3,359,990)                      | ( 3,359,990)       |
| <b>TOTAL COMPREHENSIVE INCOME</b>  |             |                               |                                 |                                   |                    |
| Net profit                         |             | <u>-</u>                      | <u>-</u>                        | <u>77,985,370</u>                 | <u>77,985,370</u>  |
| <b>BALANCE AT 31 DECEMBER 2022</b> |             | 137,589,247                   | 48,424,370                      | 277,148,544                       | 463,162,161        |
| <b>TRANSACTION WITH OWNERS</b>     |             |                               |                                 |                                   |                    |
| Dividend paid                      | 25          | -                             | -                               | ( 7,008,750)                      | ( 7,008,750)       |
| <b>TOTAL COMPREHENSIVE INCOME</b>  |             |                               |                                 |                                   |                    |
| Net profit                         |             | <u>-</u>                      | <u>-</u>                        | <u>123,460,556</u>                | <u>123,460,556</u> |
| <b>BALANCE AT 31 DECEMBER 2023</b> |             | <u>137,589,247</u>            | <u>48,424,370</u>               | <u>393,600,350</u>                | <u>579,613,967</u> |

# CARIBBEAN ASSURANCE BROKERS LIMITED

## STATEMENT OF CASH FLOWS 31 DECEMBER 2023

|   | <u>Note</u> | <u>2023</u><br><u>₤</u> | <u>2022</u><br><u>₤</u> |
|---|-------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                      |             |                         |                         |
| Net profit  |             | 123,460,556             | 77,985,370              |
| Items not affecting cash resources:                               |             |                         |                         |
| Exchange gain on foreign balances                                 |             | ( 3,927,866)            | 85,498                  |
| Amortisation of right-of-use asset                                | 16          | 1,072,668               | 5,659,155               |
| Gain on derecognition of lease liability                          |             | ( 1,278,433)            | -                       |
| Depreciation  | 13          | 10,771,567              | 10,649,765              |
| Amortisation  |             | 9,270,784               | -                       |
| Loss on disposal of property, plant and equipment                 |             | -                       | 76,487                  |
| Interest income   | 7           | ( 9,335,550)            | ( 3,492,502)            |
| Interest expense  | 9           | 3,985,114               | 1,862,908               |
| Interest expense on lease liabilities                             | 16(b)       | 997,198                 | 2,059,793               |
| Taxation expense  | 11(a)       | <u>608,084</u>          | <u>( 2,568,432)</u>     |
|   |             | 135,624,122             | 92,318,042              |
| Changes in operating assets and liabilities:                      |             |                         |                         |
| Receivables   |             | (213,903,004)           | ( 32,856,061)           |
| Payables  |             | 217,962,286             | 23,079,456              |
| Taxation recoverable  |             | <u>( 31,474)</u>        | <u>43,898</u>           |
| Cash provided by operating activities                             |             | <u>139,651,930</u>      | <u>82,585,335</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                      |             |                         |                         |
| Interest received   |             | 9,335,550               | 3,492,502               |
| Proceeds from sale of property, plant and equipment               |             | -                       | 11,000                  |
| Purchase of property, plant and equipment                         | 13          | ( 5,709,648)            | ( 7,655,061)            |
| Purchase of intangible assets                                     | 14          | ( 37,818,225)           | -                       |
| Net movements in investments                                      |             | <u>( 63,916,968)</u>    | <u>-</u>                |
| Cash used in investing activities                                 |             | <u>( 98,109,291)</u>    | <u>( 4,151,559)</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                      |             |                         |                         |
| Interest paid on lease liabilities                                |             | ( 997,198)              | ( 2,059,793)            |
| Interest paid   |             | ( 3,811,920)            | ( 1,862,908)            |
| Principal paid on lease liabilities                               |             | ( 468,368)              | ( 5,707,081)            |
| Loan repayments   | 19(c)       | ( 21,141,502)           | ( 30,849,916)           |
| Loan proceeds   | 19(c)       | 25,651,928              | 21,141,502              |
| Dividend paid   |             | <u>( 7,008,750)</u>     | <u>( 3,359,990)</u>     |
| Cash used in financing activities                                 |             | <u>( 7,775,810)</u>     | <u>( 22,698,186)</u>    |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                      |             | 33,766,829              | 55,735,590              |
| Effects of exchange rate translation on cash and cash equivalents |             | <u>4,007,289</u>        | <u>( 2,629,037)</u>     |
| Cash and cash equivalents at beginning of year                    |             | 37,774,118              | 53,106,553              |
|   |             | <u>254,664,449</u>      | <u>201,557,896</u>      |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                   | 19          | <u>292,438,567</u>      | <u>254,664,449</u>      |



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 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's shares were listed on the Junior Market of Jamaica Stock Exchange on 9 March 2020.

#### 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. MATERIAL ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Where necessary, amounts have been reclassified to conform to current year presentation.

##### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), and have been prepared under the historical cost convention and modified by the revaluation of certain property, plant and equipment that are measured at revalued amounts. They are also prepared in accordance with requirements of the Jamaican Companies Act.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

##### **New, revised and amended standards and interpretations that became effective during the year**

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are immediately relevant to its operations.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (a) Basis of preparation (cont'd)

##### **New, revised and amended standards and interpretations that became effective during the year (cont'd)**

The company has adopted the following new and amended standards and interpretations as of 1 January 2023:

**Narrow scope amendments to IAS 1, 'Practice Statement 2 and IAS 8, (effective for accounting periods beginning on or after 1 January 2023).** The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed.

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

**Amendment to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', (effective for accounting periods beginning on or after 1 January 2023).** This amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

**Amendments to IAS 12, Income Taxes (effective for periods beginning on or after 1 January 2023).** The main change in *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)* is an exemption from the *initial recognition exemption* provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The adoption of these amendments did not have a significant impact on the company.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (a) Basis of preparation (cont'd)

###### **New standards, amendments and interpretations not yet effective and not early adopted**

The following amendments to standards which are not effective and have not been adopted early in these financial statements will or may have an effect on the company's financial statements.

###### **Amendments to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities (effective for accounting periods beginning on or after 1 January 2024).**

These narrow-scope amendments to IAS 1, 'Presentation of Financial Statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectation of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

**Amendments to IAS 1, 'Non-current Liabilities with Covenants', (deferred until accounting periods starting not earlier than 1 January 2024).** These clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The adoption of these amendments is not expected to have a significant impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

##### (b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss.

##### (c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, except for freehold land and buildings which was measured at valuation, less accumulated depreciation and impairment losses (deemed cost). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (c) Property, plant and equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. The expected useful lives of property, plant and equipment are as follows:

|                        |                |
|------------------------|----------------|
| Building               | 40 years       |
| Leasehold improvements | 4 and 10 years |
| Office equipment       | 4 years        |
| Furniture and fixtures | 10 years       |
| Motor vehicles         | 5 years        |

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

##### (d) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

##### (e) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

##### (e) Financial instruments (cont'd)

##### Financial assets

##### (i) Recognition and derecognition

Financial assets are initially recognised on the settlement date, which is the date that an asset is delivered to the company. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognised financial assets that is created or retained by the company is recognised as a separate asset or liability.

##### (ii) Classification

The company classifies all its of financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The company classifies its financial assets as those measured at amortised cost.

##### (iii) Measurement category

##### Amortised cost

These assets arise principally from the provision of services to clients (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognized at fair value plus transaction costs that are directly attributed to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company's financial assets measured at amortised cost comprise investments, cash and cash equivalents and receivables in the statement of financial position.

## **CARIBBEAN ASSURANCE BROKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023**

#### **3. MATERIAL ACCOUNTING POLICIES (CONT'D):**

##### **(e) Financial instruments (cont'd)**

##### **Financial assets (cont'd)**

##### **(iii) Measurement category (cont'd)**

##### **Amortised cost (cont'd)**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of three months or less.

##### **(iv) Impairment**

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within the statement of profit and loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company assesses at each reporting date whether there is objective evidence that a financial asset as a group of financial assets is impaired.

##### **Financial liabilities**

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: loans, lease liability and trade payables.

The company derecognizes a financial liability when its contractual obligation expire or are discharged or cancelled.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (f) Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings.

##### (g) Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

##### (h) Revenue recognition

Commission income is recognized in the statement of comprehensive income on the effective commencement or renewal dates of the related policies. Commission is decreased by any cancellation of policies by principals with a corresponding reversal of commission earned.

##### Interest income

Interest income is recognized in the statement of comprehensive income using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the company estimates future cash flows considering all contractual terms of the financial instrument.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (i) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 3. MATERIAL ACCOUNTING POLICIES (CONT'D):

##### (i) Leases (cont'd)

When the company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the company to use an identified asset and require services to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

##### Nature of leasing activities (in the capacity as lessee)

The periodic payment is fixed over the lease term. The company leased motor vehicles. Leases of motor vehicles comprise only fixed payments over the lease terms.

##### As lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Lease income is recognised over the term of the lease so as to reflect a constant periodic rate of return.

## **CARIBBEAN ASSURANCE BROKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023**

#### **3. MATERIAL ACCOUNTING POLICIES (CONT'D):**

##### **(j) Dividend distribution**

Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events note.

##### **(k) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **(l) Intangible assets**

Intangible assets, which represents computer software, are deemed to have a finite useful life of four years and are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **(a) Critical judgements in applying the company's accounting policies**

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

##### **(b) Key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### **(i) Income taxes**

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

##### (b) Key sources of estimation uncertainty (cont'd)

##### (ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

##### (iii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of simple models and assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The company has the following types of financial assets that are subject to IFRS 9's expected credit loss model:

- Receivables from policyholders
- Commission due from insurance companies; and
- Cash and cash equivalents.

For cash and cash equivalents, due to its short term nature, the credit exposure is significantly reduced.

The company applies the IFRS 9 simplified approach to measuring expected credit loss (ECL) which uses a life time expected loss allowance for receivables from policyholders and commission receivable from insurance companies. To measure the expected credit losses the total amount receivable from policyholders are matched to the amount payable to the insurance companies.

## **CARIBBEAN ASSURANCE BROKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023**

#### **4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

##### **(a) Key sources of estimation uncertainty (cont'd)**

##### **(iii) Measurement of the expected credit loss allowance (cont'd)**

The expected credit loss (ECL) provision is measured on the excess of receivables from policyholders against the payable due to the insurance companies. The risk of exposure of policies outstanding is ultimately with the insurance companies. The company's credit risk exposure from receivables due from insurance companies relates to the commission earned.

#### **5. FINANCIAL RISK MANAGEMENT:**

The company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

In common with all other businesses, the company's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the company and the methods used to measure them.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

##### **(a) Principal financial instruments**

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Investments
- Receivables
- Cash and cash equivalents
- Payables
- Loans
- Lease liability



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (b) Financial instruments by category

###### Financial assets

|                               | <u>Amortised cost</u>     |                           |
|-------------------------------|---------------------------|---------------------------|
|                               | <u>2023</u>               | <u>2022</u>               |
|                               | <u>£</u>                  | <u>£</u>                  |
| Investments                   | 65,029,426                | -                         |
| Cash and cash equivalents     | 292,438,567               | 254,664,449               |
| Receivables                   | <u>371,330,170</u>        | <u>166,940,065</u>        |
| <b>Total financial assets</b> | <u><b>728,798,163</b></u> | <u><b>421,604,514</b></u> |

###### Financial liabilities

|                                    | <u>Amortised cost</u>     |                           |
|------------------------------------|---------------------------|---------------------------|
|                                    | <u>2023</u>               | <u>2022</u>               |
|                                    | <u>£</u>                  | <u>£</u>                  |
| Payables                           | 279,381,738               | 115,942,419               |
| Lease liability                    | -                         | 10,059,954                |
| Loans                              | <u>56,815,202</u>         | <u>51,343,142</u>         |
| <b>Total financial liabilities</b> | <u><b>336,196,940</b></u> | <u><b>177,345,515</b></u> |

##### (c) Financial risk factors

The Board of Directors has overall responsibility for the determination of the company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the company's Finance function. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

##### (i) Market risk

Market risk arises from the company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Financial risk factors (cont'd)

##### (i) Market risk (cont'd)

##### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar investments, cash and bank balances, receivables, long term loan and payables. The company manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The company further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

##### Concentration of currency risk

The company is exposed to foreign currency risk in respect of the US dollars as follows:

|                           | <u>2023</u><br>\$  | <u>2022</u><br>\$  |
|---------------------------|--------------------|--------------------|
| Investments               | 64,876,885         | -                  |
| Receivables               | 55,555,070         | 58,198,749         |
| Cash and cash equivalents | 269,156,477        | 229,886,201        |
| Loans                     | ( 30,990,080)      | (30,201,640)       |
| Payables                  | ( 94,364,140)      | (54,352,624)       |
|                           | <u>264,234,212</u> | <u>203,530,686</u> |

##### Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated investments, cash and bank, accounts receivable, accounts payable and loan balances, and adjusts their translation at the year-end for 4% (2022 - 4%) depreciation and a 1% (2022 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

|           | % Change in<br>Currency Rate | Effect on<br>Profit before<br>tax<br>31 December<br><u>2023</u><br>\$ | % Change in<br>Currency Rate | Effect on<br>Profit before<br>tax<br>31 December<br><u>2022</u><br>\$ |
|-----------|------------------------------|---|------------------------------|---|
| Currency: |                              |   |                              |   |
| USD       | -4                           | 10,569,368  | -4                           | 8,141,227   |
| USD       | <u>+1</u>                    | <u>( 2,642,342)</u>   | <u>+1</u>                    | <u>(2,035,307)</u>  |

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Financial risk factors (cont'd)

##### (i) Market risk (cont'd)

##### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. As the company does not have a significant exposure, market price fluctuations are not expected to have a material effect on the net results or stockholders' equity.

##### Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the company to cash flow interest rate risk, whereas fixed rate instruments expose the company to fair value interest rate risk. The company has investments and loans which are at fixed rates of interest.

The company is primarily exposed to fair value interest rate risk on its fixed rate borrowings. The company analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

Investments, short term deposits and loans are the only interest bearing assets and liabilities respectively, within the company. The company's short term deposits are due to mature and re-price respectively, within 3 months of the reporting date.

##### Interest rate sensitivity

There is no significant exposure to interest rate risk on short-term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

A 0.25% increase/decrease (2022 - 1% increase/0.5% decrease) in interest rates on Jamaican dollar borrowings would result in \$64,562 decrease/increase (2022 - \$258,251 decrease/\$129,126 increase) in profit before tax for the company.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Financial risk factors (cont'd)

##### (i) Market risk (cont'd)

##### Interest rate sensitivity (cont'd)

A 0.25% increase/0.25% decrease (2022 - 1% increase/0.5% decrease) in interest rates on US dollar borrowings would result in a \$77,475 decrease/increase (2022 - \$302,016 decrease/\$151,008 increase) in profit before tax for the company.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables and cash and bank balances.

##### (ii) Credit risk

##### Trade receivables

Revenue transactions in respect of the company's primary operations are settled in cash. For its operations done on a credit basis, the company has policies in place to ensure that sales of insurance policies are made to customers with an appropriate credit history.

##### Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The company has policies that limit the amount of credit exposure to any one financial institution.

##### Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

The aging of trade receivables is:

Receivables due from policyholders:

|                  | <u>2023</u><br>\$  | <u>2022</u><br>\$ |
|------------------|--------------------|-------------------|
| 0 - 30 days      | 15,728,082         | 21,678,238        |
| 31 - 60 days     | 602,912            | 30,580,587        |
| 61 - 90 days     | 7,181,781          | 11,855,251        |
| 91 days and over | <u>273,007,431</u> | <u>23,129,085</u> |
|                  | <u>296,520,206</u> | <u>87,243,161</u> |



# **CARIBBEAN ASSURANCE BROKERS LIMITED** NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

### (c) Financial risk factors (cont'd)

#### (ii) Credit risk (cont'd)

#### Maximum exposure to credit risk (cont'd)

Commission due from insurance companies:

|                  | <u>2023</u>        | <u>2022</u>        |
|------------------|--------------------|--------------------|
|                  | <u>\$</u>          | <u>\$</u>          |
| 0 - 30 days      | 2,793,810          | 15,907,050         |
| 31 - 60 days     | 10,705,690         | 371,989            |
| 61 - 90 days     | 4,806,384          | 1,072,687          |
| 91 days and over | <u>57,261,118</u>  | <u>20,161,017</u>  |
|                  | <u>75,567,002</u>  | <u>37,512,743</u>  |
|                  | <u>372,087,208</u> | <u>124,755,904</u> |

| <u>Aging</u>        | <u>Commission<br/>Receivable</u> | <u>Default<br/>Rate</u> | <u>Lifetime<br/>ECL<br/>Allowance</u> |
|---------------------|----------------------------------|-------------------------|---------------------------------------|
|                     | <u>2023</u>                      | <u>2023</u>             | <u>2023</u>                           |
|                     | <u>\$</u>                        | <u>%</u>                | <u>\$</u>                             |
| 0 - 30 days         | 2,793,810                        | 2.7                     | 75,433                                |
| 31 - 60 days        | 10,705,690                       | 5.4                     | 579,923                               |
| 61 - 90 days        | 4,806,384                        | 15.86                   | 762,262                               |
| 91 days<br>and over | <u>57,261,118</u>                | 27.46                   | <u>15,725,359</u>                     |
|                     | <u>75,567,002</u>                |                         | <u>17,142,977</u>                     |

No ECL provision was recognized in the prior year for commission receivable which is due from insurance companies that are past due, as the provision calculated was immaterial. The risk of default on payment of insurance premiums also resides with the insurance companies therefore a corresponding payable to the insurance companies for outstanding premiums (net of commission earned) (note 23) is reflected in the financial statements.

#### (iii) Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (c) Financial risk factors (cont'd)

##### (iii) Liquidity risk (cont'd)

##### Liquidity risk management process

The company's liquidity risk management process, as carried out within the company and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a regular basis.
- (ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investments.

##### Cash flows of financial liabilities

The maturity profile of the company's financial liabilities, based on contractual undiscounted payments, is as follows:

|   | <u>Within 1</u><br><u>Year</u><br><u>£</u> | <u>1 to 2</u><br><u>Years</u><br><u>£</u> | <u>2 to 5</u><br><u>Years</u><br><u>£</u> | <u>Total</u><br><u>£</u>  |
|---|--|---|---|---------------------------|
| <b>31 December 2023</b>   |  |   |   |                           |
| Trade payables  | 279,381,738                                | -   | -   | 279,381,738               |
| Loans   | <u>60,522,515</u>                          | <u>-</u>                                  | <u>-</u>                                  | <u>60,522,515</u>         |
| <b>Total financial liabilities (contractual maturity dates)</b> | <u><b>339,904,253</b></u>                  | <u><b>-</b></u>                           | <u><b>-</b></u>                           | <u><b>339,904,253</b></u> |
|   | <u>Within 1</u><br><u>Year</u><br><u>£</u> | <u>1 to 2</u><br><u>Years</u><br><u>£</u> | <u>2 to 5</u><br><u>Years</u><br><u>£</u> | <u>Total</u><br><u>£</u>  |
| <b>31 December 2022</b>   |  |   |   |                           |
| Trade payables  | 115,942,419                                | -   | -   | 115,942,419               |
| Loans   | 55,029,416                                 | -   | -   | 55,029,416                |
| Lease liabilities   | <u>3,221,059</u>                           | <u>3,823,216</u>                          | <u>7,327,830</u>                          | <u>14,372,105</u>         |
| <b>Total financial liabilities (contractual maturity dates)</b> | <u><b>174,192,894</b></u>                  | <u><b>3,823,216</b></u>                   | <u><b>7,327,830</b></u>                   | <u><b>185,343,940</b></u> |

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 5. FINANCIAL RISK MANAGEMENT (CONT'D):

##### (d) Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the company defines as net operating income, excluding non-recurring items, divided by total stockholders' equity.

There are no particular strategies to determine the optimal capital structure. There is a minimum capital maintenance requirement to which the company is subject by the Financial Services Commission.

#### 6. REVENUE:

Revenue comprises the fair value of the consideration received or receivable for services provided in the ordinary course of the company's business and is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured taking into account contractually defined terms of payment.

The company has disaggregated commission earned in the following categories:

|               | <u>2023</u><br><u>₹</u> | <u>2022</u><br><u>₹</u> |
|---------------|-------------------------|-------------------------|
| Local         | 285,563,907             | 240,495,342             |
| International | <u>216,324,041</u>      | <u>228,705,368</u>      |
|               | <u>501,887,948</u>      | <u>469,200,710</u>      |

|   | <u>2023</u><br><u>₹</u> | <u>2022</u><br><u>₹</u> |
|---|-------------------------|-------------------------|
| Agency fee  | 32,790,908              | 29,813,227              |
| Interest  | 9,335,550               | 3,492,502               |
| Foreign exchange translation                      | 9,207,502               | 433,738                 |
| Miscellaneous                                     | 3,820,047               | 623,841                 |
| Loss on disposal of property, plant and equipment | -                       | ( 76,487)               |
| Rental income                                     | <u>2,837,931</u>        | <u>2,417,339</u>        |
|   | <u>57,991,938</u>       | <u>36,704,160</u>       |

# CARIBBEAN ASSURANCE BROKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 8. EXPENSES BY NATURE:

Total administrative, selling and other expenses:

|                                    | <u>2023</u>        | <u>2022</u>        |
|------------------------------------|--------------------|--------------------|
|                                    | <u>₹</u>           | <u>₹</u>           |
| Directors' remuneration            | 21,010,905         | 29,550,000         |
| Directors' fee                     | 2,743,750          | 2,286,360          |
| Rent                               | 520,000            | 480,000            |
| Printing and stationery            | 2,385,591          | 1,893,558          |
| Repairs and maintenance            | 5,449,635          | 5,932,416          |
| Telephone, cables and postage      | 6,959,252          | 3,914,765          |
| Registration fee                   | 22,845,260         | 30,098,854         |
| Legal and professional fees        | 31,176,378         | 19,413,648         |
| Auditors' remuneration             | 3,200,000          | 2,350,000          |
| Security                           | 8,669,256          | 4,339,323          |
| Electricity                        | 4,394,060          | 4,426,821          |
| Insurance                          | 3,257,750          | 8,356,018          |
| Subscriptions and donations        | 1,124,813          | 1,389,470          |
| Bank charges                       | 7,025,886          | 9,143,050          |
| Foreign travel and entertainment   | 9,167,405          | 1,065,127          |
| Amortisation of right-of-use asset | 1,072,668          | 5,659,155          |
| Staff costs (note 10)              | 259,129,566        | 274,911,402        |
| Advertising and promotion          | 2,905,097          | 4,870,526          |
| Depreciation                       | 10,771,567         | 10,649,765         |
| Amortisation                       | 9,270,784          | -                  |
| Other                              | <u>606,334</u>     | <u>5,812,851</u>   |
|                                    | <u>413,685,957</u> | <u>426,543,109</u> |

### 9. FINANCE COSTS:

|                              | <u>2023</u>      | <u>2022</u>      |
|------------------------------|------------------|------------------|
|                              | <u>₹</u>         | <u>₹</u>         |
| Loan interest                | 3,985,114        | 1,862,908        |
| Interest - lease liabilities | <u>997,198</u>   | <u>2,059,793</u> |
|                              | <u>4,982,312</u> | <u>3,922,701</u> |

### 10. STAFF COSTS:

|   | <u>2023</u>        | <u>2022</u>        |
|---|--------------------|--------------------|
|   | <u>₹</u>           | <u>₹</u>           |
| Salaries, wages and statutory contributions | 144,882,796        | 117,035,459        |
| Commission                                  | 86,174,552         | 127,384,661        |
| Travel and accommodation                    | 11,355,651         | 12,738,749         |
| Staff training and welfare                  | 3,207,237          | 4,796,598          |
| Group health                                | 10,472,568         | 11,565,951         |
| Pension                                     | <u>3,036,762</u>   | <u>1,389,984</u>   |
|   | <u>259,129,566</u> | <u>274,911,402</u> |



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 11. TAXATION EXPENSE:

- (a) Taxation is computed on the profit for the year, adjusted for taxation purposes, and comprises income tax at 33 1/3%:

|   | <u>2023</u><br><u>₤</u> | <u>2022</u><br><u>₤</u> |
|---|-------------------------|-------------------------|
| Current taxation                            | 44,337,940              | 24,688,733              |
| Deferred tax (note 15)                      | <u>608,084</u>          | <u>( 2,568,432)</u>     |
|   | 44,946,024              | 22,120,301              |
| Adjustment for the effect of tax remission: |                         |                         |
| Current tax                                 | <u>(44,337,940)</u>     | <u>(24,688,733)</u>     |
| Tax charge/(credit) in income statement     | <u>608,084</u>          | <u>( 2,568,432)</u>     |

- (b) The tax on the profit before taxation differs from the theoretical amount that would arise using the applicable tax rate of 33 1/3%, as follows:

|   | <u>2023</u><br><u>₤</u> | <u>2022</u><br><u>₤</u> |
|---|-------------------------|-------------------------|
| Profit before taxation                      | <u>124,068,640</u>      | <u>75,416,938</u>       |
| Tax calculated at applicable tax rate       | 41,356,214              | 25,138,979              |
| Adjusted for the effects of:                |                         |                         |
| Expenses not deducted for tax purposes      | 7,661,890               | 6,351,043               |
| Net effect of other charges and allowances  | <u>( 4,072,080)</u>     | <u>( 9,369,721)</u>     |
|   | 44,946,024              | 22,120,301              |
| Adjustment for the effect of tax remission: |                         |                         |
| Current tax                                 | <u>( 44,337,940)</u>    | <u>(24,688,733)</u>     |
| Tax charge/(credit) in income statement     | <u>608,084</u>          | <u>(2,568,432)</u>      |

- (c) Remission for income tax:

The company's shares were listed on the Jamaica Stock Exchange Junior Market, effective 9 March 2020. Consequently, the company is entitled to a remission of taxes for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years.

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

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions.

**CARIBBEAN ASSURANCE BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023**

**12. 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 year end.

|  | <u>2023</u>   | <u>2022</u>   |
|--|---------------|---------------|
| Net profit attributable to stockholders (\$)       | 123,460,556   | 77,985,370    |
| Weighted average number of ordinary shares (units) | 262,500,000   | 262,500,000   |
| Earnings per stock unit (\$)                       | <u>\$0.47</u> | <u>\$0.30</u> |

# CARIBBEAN ASSURANCE BROKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 13. PROPERTY, PLANT AND EQUIPMENT:

|                               | <u>Land &amp;<br/>Building</u><br>\$ | <u>Office<br/>Equipment</u><br>\$ | <u>Furnitures<br/>&amp; Fixtures</u><br>\$ | <u>Motor<br/>Vehicles</u><br>\$ | <u>Total</u><br>\$ |
|-------------------------------|--------------------------------------|-----------------------------------|--|---------------------------------|--------------------|
| At cost/deemed cost:          |                                      |                                   |  |                                 |                    |
| 1 January 2022                | 239,532,753                          | 63,683,378                        | 13,696,359                                 | 2,006,438                       | 318,918,928        |
| Additions                     | 380,260                              | 2,024,107                         | 581,860                                    | 4,668,834                       | 7,655,061          |
| Disposals                     | -                                    | -                                 | ( 102,367)                                 | (1,276,824)                     | ( 1,379,191)       |
| 31 December 2022              | 239,913,013                          | 65,707,485                        | 14,175,852                                 | 5,398,448                       | 325,194,798        |
| Additions                     | 3,914,251                            | 1,713,397                         | -  | 82,000                          | 5,709,648          |
| Transfer to intangible assets | -                                    | ( 6,416,523)                      | -  | -                               | ( 6,416,523)       |
| 31 December 2023              | <u>243,827,264</u>                   | <u>61,004,359</u>                 | <u>14,175,852</u>                          | <u>5,480,448</u>                | <u>324,487,923</u> |
| Depreciation:                 |                                      |                                   |  |                                 |                    |
| 1 January 2022                | 12,203,195                           | 51,929,201                        | 8,134,402                                  | 1,450,108                       | 73,716,906         |
| Charge for the year           | 4,417,165                            | 5,183,147                         | 670,089                                    | 379,364                         | 10,649,765         |
| Disposal                      | -                                    | -                                 | ( 78,720)                                  | (1,212,984)                     | ( 1,291,704)       |
| 31 December 2022              | 16,620,360                           | 57,112,348                        | 8,725,771                                  | 616,488                         | 83,074,967         |
| Charge for the year           | 4,422,825                            | 4,609,394                         | 647,699                                    | 1,091,649                       | 10,771,567         |
| Transfer to intangible assets | -                                    | ( 6,164,992)                      | -  | -                               | ( 6,164,992)       |
| 31 December 2023              | <u>21,043,185</u>                    | <u>55,556,750</u>                 | <u>9,373,470</u>                           | <u>1,708,137</u>                | <u>87,681,542</u>  |
| Net book value:               |                                      |                                   |  |                                 |                    |
| 31 December 2023              | <u>222,784,079</u>                   | <u>5,447,607</u>                  | <u>4,802,384</u>                           | <u>3,772,311</u>                | <u>236,806,381</u> |
| 31 December 2022              | <u>223,292,653</u>                   | <u>8,595,137</u>                  | <u>5,450,081</u>                           | <u>4,781,960</u>                | <u>242,119,831</u> |

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

Land and building were revalued on 24 September 2018 by Allison Pitter & Company, Chartered (Valuation) Surveyors on an open market value basis. The revaluation of land and building was conducted upon acquisition and represents the deemed cost.

The company's land and building is located at 94D Old Hope Road, Kingston 6. St Andrew. Surplus arising on revaluation has been taken to Capital Reserve.

#### 14. INTANGIBLE ASSETS:

|  | <b>Computer<br/>Software<br/>\$'000</b> |
|--|---|
| At cost:                                       |   |
| Transferred from property, plant and equipment | 6,416,523                               |
| Addition                                       | <u>37,818,225</u>                       |
| 31 December 2023                               | <u>44,234,748</u>                       |
| Amortisation:                                  |   |
| Transferred from property, plant and equipment | 6,164,992                               |
| Charge for the year                            | <u>9,270,784</u>                        |
| 31 December 2023                               | <u>15,435,776</u>                       |
| Net book value:                                |   |
| 31 December 2023                               | <u>28,798,972</u>                       |
| 31 December 2022                               | <u>-</u>                                |



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 15. DEFERRED TAX:

Deferred tax is calculated in full on temporary differences under the liability method using a principal tax rate of 33 1/3%.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

|                    | <u>2023</u><br><u>£</u> | <u>2022</u><br><u>£</u> |
|--------------------|-------------------------|-------------------------|
| Deferred tax asset | <u>13,152,876</u>       | <u>13,760,960</u>       |

The movement on the deferred tax account is as follows:

|   |                   |                   |
|---|-------------------|-------------------|
| Balance at start of year                  | 13,760,960        | 11,192,528        |
| (Charge)/credit for the year (note 11(a)) | <u>( 608,084)</u> | <u>2,568,432</u>  |
| Balance at end of year                    | <u>13,152,876</u> | <u>13,760,960</u> |

Deferred taxation is due to the following temporary differences:

|                                | <u>2023</u><br><u>£</u> | <u>2022</u><br><u>£</u> |
|--------------------------------|-------------------------|-------------------------|
| Decelerated capital allowances | 7,495,693               | 13,760,960              |
| Impairment provision           | <u>5,657,183</u>        | <u>-</u>                |
|                                | <u>13,152,876</u>       | <u>13,760,960</u>       |

Deferred taxation charges to profit or loss comprises the following temporary differences:

|                                | <u>2023</u><br><u>£</u> | <u>2022</u><br><u>£</u> |
|--------------------------------|-------------------------|-------------------------|
| Decelerated capital allowances | 6,265,267               | (2,568,432)             |
| Impairment provision           | <u>(5,657,183)</u>      | <u>-</u>                |
| Asset at end of year           | <u>608,084</u>          | <u>(2,568,432)</u>      |

# CARIBBEAN ASSURANCE BROKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 16. RIGHT-OF-USE ASSETS:

#### (a) Right-of-use asset:

|                                     | <u>Motor Vehicles</u> |                  |
|-------------------------------------|-----------------------|------------------|
|                                     | <u>2023</u>           | <u>2022</u>      |
|                                     | <u>\$</u>             | <u>\$</u>        |
| At 1 January                        | 9,385,821             | 15,044,976       |
| Amortisation                        | (1,072,668)           | ( 5,659,155)     |
| Derecognition of right-of-use asset | (8,313,153)           | -                |
| At 31 December                      | <u>-</u>              | <u>9,385,821</u> |

#### (b) Lease liability:

|                                  | <u>Motor vehicles</u> |                     |
|----------------------------------|-----------------------|---------------------|
|                                  | <u>2023</u>           | <u>2022</u>         |
|                                  | <u>\$</u>             | <u>\$</u>           |
| At 1 January                     | 10,059,954            | 15,767,035          |
| Interest expense                 | 997,198               | 2,059,793           |
| Lease payments                   | ( 1,465,566)          | ( 7,766,874)        |
| Derecognition of lease liability | ( 9,591,586)          | -                   |
| At 31 December                   | -                     | 10,059,954          |
| Less current portion             | <u>-</u>              | <u>( 3,221,059)</u> |
|                                  | <u>-</u>              | <u>6,838,895</u>    |

### 17. INVESTMENTS AT AMORTISED COST:

|   | <u>2023</u>       | <u>2022</u> |
|---|-------------------|-------------|
|   | <u>\$</u>         | <u>\$</u>   |
| Money Market Corporate Paper Bond (USD) | 64,876,885        | -           |
| Mayberry Gold Bond (JMD)                | <u>152,541</u>    | <u>-</u>    |
|   | <u>65,029,426</u> | <u>-</u>    |

### 18. RECEIVABLES:

|                          | <u>2023</u>        | <u>2022</u>        |
|--------------------------|--------------------|--------------------|
|                          | <u>\$</u>          | <u>\$</u>          |
| Trade receivables        | 367,682,061        | 124,778,026        |
| Credit impairment losses | ( 17,142,977)      | ( 22,122)          |
|                          | 350,539,084        | 124,755,904        |
| Due from employees       | 2,533,357          | 4,187,158          |
| Deposits                 | 14,659,353         | 42,184,161         |
| Prepayments              | 3,522,677          | 9,575,200          |
| Other receivables        | <u>26,678,324</u>  | <u>2,331,589</u>   |
|                          | <u>397,932,795</u> | <u>183,034,012</u> |

# **CARIBBEAN ASSURANCE BROKERS LIMITED** NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

## 19. CASH AND CASH EQUIVALENTS:

|                                     | <u>2023</u><br>\$  | <u>2022</u><br>\$  |
|-------------------------------------|--------------------|--------------------|
| <b>Cash and bank balances -</b>     |                    |                    |
| Deposits and short-term investments | 66,852,222         | 176,398,250        |
| Foreign currency accounts           | 202,913,492        | 62,395,513         |
| Local currency account              | 21,828,770         | 15,808,514         |
| Cash in hand                        | <u>844,083</u>     | <u>62,172</u>      |
|                                     | <u>292,438,567</u> | <u>254,664,449</u> |

- (a) Deposits and short term instruments are interest bearing.
- (b) The weighted average effective interest rates on short term deposits at the year end were as follows:

|                                 | <u>2023</u><br>% | <u>2022</u><br>% |
|---------------------------------|------------------|------------------|
| Interest bearing - JA\$ account | 3.57             | 2.00             |
| - US\$ account                  | <u>1.30</u>      | <u>2.08</u>      |

- (c) Reconciliation of movements of liabilities to cash flows from financing activities:

Amounts represent loans.

|                         | <u>2023</u><br>\$ | <u>2022</u><br>\$ |
|-------------------------|-------------------|-------------------|
| At 1 January            | 51,343,142        | 62,035,120        |
| Cash -                  |                   |                   |
| Loans received          | 25,651,928        | 21,141,502        |
| Loan repaid             | (21,141,502)      | (30,849,916)      |
| Accrued interest        | <u>173,194</u>    | <u>-</u>          |
|                         | 56,026,762        | 52,326,706        |
| Non-cash -              |                   |                   |
| Foreign exchange effect | <u>788,440</u>    | <u>( 983,564)</u> |
|                         | <u>56,815,202</u> | <u>51,343,142</u> |

## 20. SHARE CAPITAL:

|   | <u>2023</u><br>\$  | <u>2022</u><br>\$  |
|---|--------------------|--------------------|
| Authorised -                                |                    |                    |
| Unlimited Ordinary shares of no par value   |                    |                    |
| Issued and fully paid -                     |                    |                    |
| 262,500,000 Ordinary shares of no par value | <u>137,589,247</u> | <u>137,589,247</u> |

## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 21. CAPITAL RESERVE:

This represents unrealised gain on the revaluation of land and building.

#### 22. LOANS:

|   | <u>2023</u><br>\$   | <u>2022</u><br>\$   |
|---|---------------------|---------------------|
| (i) Bank of Nova Scotia Jamaica Limited | 30,990,080          | 30,201,640          |
| (ii) JMMB Bank (Jamaica) Limited        | 20,173,194          | 20,000,000          |
| (iii) JN Finance Limited                | <u>5,651,928</u>    | <u>1,141,502</u>    |
|   | 56,815,202          | 51,343,142          |
| Less: Current portion                   | <u>(56,815,202)</u> | <u>(51,343,142)</u> |
|   | <u>-</u>            | <u>-</u>            |

(i) This represents US dollar loan which commenced on 1 January 2019 and attracts an interest rate of 5% per annum. It is repayable over 5 years and is secured by first legal mortgage stamped for US\$700,000 or equivalent in JMD over commercial property located at 94D Old Hope Road, Kingston 6, registered at Volume 1286, Folio 396 and 397.

(ii) This loan represents a line of credit at an interest rate of 10.75% per annum.

(iii) This loan represents amount obtained to finance insurance premiums.

#### 23. PAYABLES:

|                             | <u>2023</u><br>\$  | <u>2022</u><br>\$  |
|-----------------------------|--------------------|--------------------|
| Trade payables              | 223,353,555        | 115,942,419        |
| Due to employees            | 31,467,526         | 16,580,333         |
| Other payables and accruals | <u>146,433,332</u> | <u>49,370,155</u>  |
|                             | <u>401,254,413</u> | <u>181,892,907</u> |



## CARIBBEAN ASSURANCE BROKERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

#### 24. RELATED PARTY TRANSACTIONS AND BALANCES:

The following were the transactions carried out with related parties during the year, and the year end balances.

|  | <u>2023</u><br><u>\$</u> | <u>2022</u><br><u>\$</u> |
|--|--------------------------|--------------------------|
| (a) <b>Transactions during the year</b>                            |                          |                          |
| Virsag Limited - Rental Income                                     | <u>2,837,931</u>         | <u>2,417,339</u>         |
| Key management compensation<br>(included in staff costs - note 10) |                          |                          |
| Key management includes directors and<br>senior managers -         |                          |                          |
| Salaries and other short term benefits                             | <u>68,346,445</u>        | <u>67,991,046</u>        |
| Directors' remuneration -  |                          |                          |
| Fees   | 2,743,750                | 2,286,360                |
| Management remuneration (included above)                           | <u>21,010,905</u>        | <u>29,550,000</u>        |
| (b) <b>Year-end balances</b>                                       |                          |                          |
| Due to -   |                          |                          |
| Directors (included in payables)                                   | <u>17,202</u>            | <u>7,506</u>             |
| Due from -   |                          |                          |
| Directors (included in receivables)                                | <u>4,224,346</u>         | <u>549,687</u>           |

#### 25. DIVIDEND:

|   | <u>2023</u><br><u>\$</u> | <u>2022</u><br><u>\$</u> |
|---|--------------------------|--------------------------|
| In respect of 31 December 2023 (\$0.0267 per share) | 7,008,750                | -                        |
| In respect of 31 December 2022 (\$0.0128 per share) | <u>-</u>                 | <u>3,359,990</u>         |

A dividend of \$0.0267 per share was approved by the Board of Directors on 12 June 2023 for payment on 26 October 2023.

On 6 April 2022, a dividend of \$0.0128 per share was approved by the Board of Directors for payment on 20 May 2022.



# PROXY FORM

CARIBBEAN ASSURANCE BROKERS LIMITED

I/We.....  
of..... being a member/members of Caribbean Assurance  
Brokers Limited, hereby appoint ..... of .....  
..... and failing him/her ..... of ....., as my/ our  
Proxy to vote for me/us and on my/ our behalf at the Annual General Meeting of the Company to be held at **The  
Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 on Wednesday July 24, 2024 at 10:00am** and at any  
adjournment thereof.

Please indicate by inserting a cross in the appropriate square how you wish your votes to be cast on the  
resolutions referred to. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.

|  | FOR                      | AGAINST                  |
|--|--------------------------|--------------------------|
| <b>Resolution 1:</b><br>"THAT the Audited Accounts together with the Reports of the Directors and the Auditors circulated and<br>the Notice convening the Meeting be and are hereby adopted.   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2 (a):</b><br>"THAT Directors Joyce West-Johnson, Raymond Walker and Leo Walker, who retire by rotation, and being eligible<br>for re-election, be and are hereby re-elected Directors of the Company".  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2 (b):</b><br>"THAT Sheraley Bridgeman, having been appointed a Director since the last AGM to fill a casual vacancy,<br>automatically retires at this meeting, and being eligible for election, be and is hereby elected as a Director of the<br>Company".                  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2 (c):</b><br>"THAT Kevin Donaldson, being eligible for election, be and is hereby elected a Director of the Company".   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3:</b><br>"THAT BDO, having agreed to continue to serve as Auditors, be and is hereby appointed Auditors of<br>Caribbean Assurance Brokers Limited, to hold office until the next Annual General Meeting, at a<br>remuneration to be fixed by the Directors of the Company." | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 4:</b><br>"THAT the Dividends paid on October 26, 2023 be and are hereby declared as final in respect of the year 2023".   | <input type="checkbox"/> | <input type="checkbox"/> |

Signed..... Dated: the ..... date of ..... 2024

## NOTES:

1. This form of Proxy must be received by the Secretary of the Company not less than 48 hours before the time appointed for the Meeting.
2. This form of Proxy should bear the stamp duty of \$100. Adhesive stamps are to be cancelled by the person signing the proxy.
3. If the appointer is a Corporation, this Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized in writing.

**CARIBBEAN ASSURANCE BROKERS LIMITED**  
**NOTES**



WE WANT YOU TO **LOVE** DOING BUSINESS WITH US!

Address: 94D Old Hope Road, Kgn. 6 | Tel: (876) 978-5508, (876) 978-6578

For more information Email us: [info@cabjm.com](mailto:info@cabjm.com) or visit our Website: [cabjm.com](http://cabjm.com)

Follow us: @caribbeanassurance f caribbeanassurancebrokersja CAbjamaica