



Independent auditor's report on the summary consolidated financial statements

To the Shareholder of Massy United Insurance Ltd.

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Massy United Insurance Ltd. (the Company), are consistent, in all material respects, with the audited consolidated financial statements, *on the basis described in note 1*.

The summary consolidated financial statements

The Company's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended September 30, 2021 comprise:

- the summary consolidated statement of financial position as at September 30, 2021;
- the summary consolidated statement of changes in equity for the year then ended;
- the summary consolidated statement of comprehensive income for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related note to the summary consolidated financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated January 31, 2022. That report also includes an Other Matter paragraph regarding the purpose and use of our audit report.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements *on the basis described in note 1*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Other matter

Our report, dated January 31, 2022 on the consolidated financial statements of the Company for the year ended September 30, 2021 was made solely to the Company's shareholder, as a body corporate, in accordance with Section 147 of the Companies Act of Barbados and for no other purpose. That report stated that our audit work was undertaken so that we might state to the Company's shareholder those matters we were required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body corporate, for our audit work, for our report dated January 31, 2022, or for the opinion we have formed.



Bridgetown, Barbados
 March 25, 2022

Massy United Insurance (MUIL) delivered another year of strong financial performance, notwithstanding external challenges, such as: Covid-19, the volcanic eruption in St. Vincent and Hurricane Elsa, reporting a 30 percent increase in profit before tax.

Gross Written Premiums grew by 17 percent to \$464 million, the highest recorded level in the company's history.

This reflects the strength of the reputation which this business has developed, as well as the success of its diversification and growth strategy.

Results were also buoyed by substantial investment gains from the company's international investment portfolio.

The company paid thousands of claims to policyholders with a total payout of \$59 million, resulting in many satisfied customers being able to recover from unfortunate accidents.

Massy United Insurance Ltd. Consolidated Statement of Financial Position As at September 30, 2021

(expressed in thousands of Barbados dollars)

	2021 \$	2020 \$
Assets		
Property and equipment	22,545	24,224
Right-of-use assets	1,117	1,788
Intangible assets	1,806	2,133
Deferred tax asset	984	984
Corporation tax refundable	2,610	3,476
Investment in associated company - held for sale	9,946	9,475
Accounts receivable	339,707	298,240
Financial assets	147,198	146,951
Short-term deposits	58,492	40,013
Cash and cash equivalents	89,083	98,680
Total assets	673,488	625,964
Liabilities		
General insurance liabilities	394,537	346,853
Lease liabilities	1,176	1,845
Pension and medical plan liability	5,494	6,394
Accounts payable	106,187	116,064
Corporation tax payable	3,986	3,851
	511,380	475,007
Equity		
Share capital	8,900	8,900
Retained earnings	120,969	97,978
Property catastrophe reserve	14,252	26,092
Currency translation reserve	(4,085)	(4,085)
Revaluation surplus	7,072	7,072
	147,108	135,957
Non-controlling interest	15,000	15,000
Total equity and liabilities	673,488	625,964

Approved by the Board of Directors on January 28, 2022


 Director


 Director

Massy United Insurance Ltd.
Consolidated Statement of Changes in Equity
For the year ended September 30, 2021

(expressed in thousands of Barbados dollars)

	Share capital \$	Retained earnings \$	Revaluation surplus \$	Property catastrophe reserve \$	Currency translation reserve \$	Total \$	Non-controlling interest \$	Total equity \$
Balance as of October 1, 2019	8,900	64,287	7,827	46,092	(1,577)	125,529	15,000	140,529
Total comprehensive income for the year	-	13,691	(755)	-	(2,508)	10,428	-	10,428
Transfer from property catastrophe reserve	-	20,000	-	(20,000)	-	-	-	-
Balance as of September 30, 2020	8,900	97,978	7,072	26,092	(4,085)	135,957	15,000	150,957
Total comprehensive income for the year	-	17,151	-	-	-	17,151	-	17,151
Dividend paid in the year	-	(6,000)	-	-	-	(6,000)	-	(6,000)
Transfer from property catastrophe reserve	-	11,840	-	(11,840)	-	-	-	-
Balance as of September 30, 2021	8,900	120,969	7,072	14,252	(4,085)	147,108	15,000	162,108

Massy United Insurance Ltd.
Consolidated Statement of Comprehensive Income
For the year ended September 30, 2021

(expressed in thousands of Barbados dollars)

	2021 \$	2020 \$
Revenue		
Gross premium earned	416,812	358,021
Reinsurance premium ceded	(298,979)	(240,582)
Net premiums earned	117,833	117,439
Reinsurance commission	40,956	35,570
Net investment income	12,606	8,633
Expected credit loss	-	(2,076)
Property (expense)/income	(254)	(265)
Other income	3,129	2,274
	174,270	161,575
Expenses		
Losses incurred	84,689	73,793
Losses recoverable from reinsurers	(25,198)	(17,093)
Net claims incurred	59,491	56,700
Policy acquisition costs	47,944	47,843
General and administrative expenses	46,022	41,882
	153,457	146,425
Income from operating activities	20,813	15,150
Share of income from associated companies	626	1,337
Income before taxation	21,439	16,487
Taxation	(5,342)	(4,837)
Net income for the year	16,097	11,650
Other comprehensive income/(loss):		
Defined benefit plans	1,054	2,041
Retranslation of foreign currency operations	-	(2,508)
Revaluation of building	-	(755)
Total comprehensive income for the year	17,151	10,428

Massy United Insurance Ltd.
Consolidated Statement of Cash Flows
For the year ended September 30, 2021

(expressed in thousands of Barbados dollars)

	2021 \$	2020 \$
Cash flows from operating activities		
Income before taxation	21,439	16,487
Adjustments for:		
Depreciation	3,244	2,797
Investment income	(6,398)	(7,224)
Expected credit loss	-	2,076
Gain on disposal of investments	(3,977)	(137)
Unrealised gain on investments	(2,231)	(1,272)
Share of income from associated companies	(626)	(1,337)
Pension plan expense	482	459
Other post retirement benefit expense	211	304
(Gain)/loss on disposal of fixed assets	(76)	84
Amortisation of customer list intangibles	327	327
Operating income before working capital changes	12,395	12,564
(Increase)/decrease in accounts receivable	(41,467)	54,758
Decrease in accounts payable	(9,877)	(2,081)
Increase/(decrease) in general insurance liabilities	47,684	(33,349)
Cash from operations	8,735	31,892
Pension and other post retirement contributions paid	(538)	(564)
Income taxes paid	(4,643)	(1,582)
Net cash generated from operating activities	3,554	29,746
Cash flows from investing activities		
Purchase of fixed assets	(1,598)	(743)
Purchase of investments	(70,564)	(39,693)
Sale/maturities of investments	68,788	34,946
Proceeds from sale of fixed assets	103	91
Net change in short-term deposits	(18,479)	1,010
Investment income received	9,268	5,314
Net cash (used in)/from investing activities	(12,482)	925
Cash flows used in financing activities		
Principal repayments on lease liabilities	(669)	(369)
Net (decrease)/increase in cash and cash equivalents	(9,597)	30,302
Cash and cash equivalents - beginning of the year	98,680	68,378
Cash and cash equivalents - end of year	89,083	98,680

Note 1

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under the criteria, management discloses the summary consolidated statements of financial position; changes in equity; comprehensive income and cash flows which have been derived from the audited consolidated financial statements of the Company for the year ended September 30, 2021.