IRONROCK INSURANCE COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IronRock Insurance Company Limited ("the company"), set out on pages 7 to 78, which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 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 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa
Cynthia L. Lawrence
Rajan Trehan
Norman O. Rainford
Nigel R. Chambers
Nyssa A. Johnson
Wilbert A. Spence
Sandra A. Edwards
Karen Ragoobirsingh
Al A. Johnson
Damion D. Reid

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter

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.

Key Audit Matter	**How was the matter addressed in our audit**
Valuation of liability for incurred claims (LIC) The Company's liability for incurred claims as at December 31, 2023, were $434 million of the $777 million insurance contract liabilities. The Company determines the LIC by applying International Financial Reporting Standards 17, *Insurance Contracts* (IFRS 17), which incorporates economic and non-economic assumptions. The determination of the present value of future cash flows for the liability for incurred claims (LIC) requires the use of appropriate assumptions in respect of the methods/models and assumptions used as well as complete, accurate, relevant and reliable data to determine future cash flows and discount rate. The methods/models, assumptions and data may not be appropriately applied due to its complexity. The required disclosures under IFRS 17 may be incomplete, inaccurate or not fairly presented.	Our procedures in this area included the following: • With the assistance of actuarial specialist, evaluated the appropriateness of methods/models and assumptions to estimate amount, timing, uncertainty of future cash flows; to determine ultimate expected claims and estimate discount rate curves; as well as to determine risk adjustments. • Evaluated the completeness, accuracy and relevance of data including reconciliation between source administration systems, and cash flows model/discount rate model. • Involved actuarial specialists to assist in auditing the methods and significant assumptions/judgement relating to the valuation of insurance contract liabilities, by performing independent reprojection of estimated expected cash flows and estimation of discount rate curves, ultimate estimate claims and estimation of risk adjustment. • Evaluated management's analysis of change to verify that the movement in the estimates of future cash flows, risk adjustments, and total insurance contract liabilities period to period are in-line with our business understanding. • Evaluated the completeness, accuracy and relevance of disclosures required by IFRS 17, including disclosures about assumptions about the future, and other major sources of estimation uncertainty.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter (continued)

Key Audit Matter	How was the matter addressed in our audit
Significant auditor judgment was required because there was a high degree of measurement uncertainty in the significant financial and non-financial assumptions. Significant and complex auditor judgment was required to evaluate the results of audit procedures.[see notes 6(c) part 5 insurance contracts and note 16(i) of the financial statements]	

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 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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' Responsibility 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.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5 and 6, forms part of our auditors' report.

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 maintained, 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 Rajan Trehan.

KPMG

Chartered Accountants
Kingston, Jamaica

July 19, 2024

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
IRONROCK INSURANCE COMPANY LIMITED

Appendix to the Independent Auditors' report (Continued)

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

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.

IRONROCK INSURANCE COMPANY LIMITED

Statement of Financial Position
December 31, 2023

	Notes	2023 $'000	Restated* 2022 $'000	Restated* January 1, 2022 $'000
ASSETS				
Property, plant and equipment	7	15,648	18,717	20,485
Intangible asset	8	2,972	2,548	3,190
Deferred taxation	9	-	6,318	7,992
Investments	10	529,078	466,303	634,850
Reinsurance contract assets	16(ii)	426,779	273,902	158,444
Due from related party	11	746	2,984	2,984
Receivables	12	52,081	13,954	10,503
Taxation recoverable		41,508	39,903	32,966
Short-term investments	13	101,442	186,804	80,525
Securities purchased under resale agreements	14	-	90,000	15,275
Cash and cash equivalents		395,923	142,404	69,637
		1,566,177	1,243,837	1,036,851
LIABILITIES AND SHAREHOLDERS' EQUITY				
Insurance contract liabilities	16(i)	777,045	530,834	364,140
Other Payables	15	37,372	35,243	25,771
Deferred tax liabilities	9	3,417	-	-
		817,834	566,077	389,911
Share capital	17	465,540	465,540	465,540
Capital reserves	18	139,340	139,340	139,340
Investment revaluation reserve		(5,443)	572	3,381
Accumulated profit		148,906	72,308	38,679
		748,343	677,760	646,940
		1,566,177	1,243,837	1,036,851

The financial statements, on pages 7 to 78 were approved for issue by the Board of Directors on July 19, 2024 and signed on their behalf by:

Director
R. Evan Thwaites

Director
Richard Fraser

*Restated note 28

The accompanying notes form an integral part of the financial statements.

IRONROCK INSURANCE COMPANY LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2023

	Notes	2023 $'000	Restated* 2022 $'000
Insurance revenue	16(i)	1,395,361	991,895
Insurance service expenses	16(i)	(565,090)	(491,414)
Net expenses from reinsurance contracts held	16(ii)	(710,554)	(437,609)
Insurance service result		**119,717**	**62,872**
Interest revenue calculated the effective interest method	20(a)	62,670	46,782
Other investment revenue	20(b)	11,388	17,477
Net impairment gain on financial asset		4,745	-
Investment return		**78,803**	**64,259**
Net insurance and investment results		**198,520**	**127,131**
Net finance expenses from insurance contracts	16(i)	9,497	13,550
Net finance income from reinsurance contracts	16(ii)	(6,478)	(8,608)
		201,539	**132,073**
Other income		20,067	7,535
Other operating expenses	19(b)	(118,506)	(103,604)
Profit before taxation		**103,100**	**36,004**
Taxation	22	(19,136)	(2,375)
Profit for the year		**83,964**	**33,629**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Fair value gains/(losses) on investments, being total other comprehensive income, net of taxes		831	(2,809)
Total comprehensive income for the year		**84,795**	**30,820**
Earnings per stock unit			
Based on stock units in issue	21	39 cents	16 cents

*Restated note 28

The accompanying notes form an integral part of the financial statements.

IRONROCK INSURANCE COMPANY LIMITED

Statement of Changes in Shareholders' Equity
Year ended December 31, 2023

	Share capital $'000 (note 17)	Capital reserves $'000 (note 18)	Investment revaluation reserve $'000	Accumulated profit/(loss) $'000	Total $'000
Balances at January 1, 2022, as previously reported	465,540	139,340	3,381	11,384	619,645
Adjustment on initial application of IFRS 17, net of taxes	-	-	-	27,295	27,295
Balances at January 1, 2022, as restated	465,540	139,340	3,381	38,679	646,940
Profit for the year 2022, as restated	-	-	-	33,629	33,629
Fair value losses on investments	-	-	(2,809)	-	(2,809)
Total comprehensive (loss)/income (restated)	-	-	(2,809)	33,629	30,820
Balances at December 31, 2022	465,540	139,340	572	72,308	677,760
Adjustment on initial application of IFRS 9, net of taxes	-		(6,846)	(411)	(7,257)
Balances at January 1, 2023	465,540	139,340	(6,274)	71,897	670,503
Profit for the year 2023	-	-	-	83,964	83,964
Dividends paid	-	-	-	(6,955)	(6,955)
Fair value gains on investments	-	-	831	-	831
Total comprehensive income	-	-	831	77,009	77,840
Balances at December 31, 2023	465,540	139,340	(5,443)	148,906	748,343

The accompanying notes form an integral part of the financial statements.

IRONROCK INSURANCE COMPANY LIMITED

Statement of Cash Flows
Year ended December 31, 2023

	Notes	2023 $'000	Restated* 2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		83,964	33,629
Adjustments for:			
Depreciation and amortisation	7,8	5,507	5,232
Deferred taxation	9	9,735	1,674
Net impairment loss on financial assets		(4,745)	-
Fair value through the profit and loss		3,295	-
Interest and dividend income	20	(70,962)	(53,892)
Taxation	22	9,401	701
Gain on sale of property plant and equipment		(122)	-
Gain on sale of investments		(6,391)	(10,367)
		29,682	(23,023)
Changes in:			
Insurance contract liabilities		246,211	(115,458)
Receivables		(37,306)	(841)
Due from related party		2,238	-
Reinsurance contract assets		(152,875)	166,694
Other payables		2,129	9,472
Taxation paid		(11,005)	(7,638)
Net cash provided by operating activities		79,074	29,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of short-term investments		-	80,275
Acquisition of short-term investments		-	(186,554)
Proceeds from disposal of investments		104,334	263,001
Acquisition of investments		(80,332)	(86,896)
Acquisition of property, plant and equipment	7	(1,662)	(2,823)
Acquisition of Intangibles	8	(1,200)	-
Proceeds from disposal of resale agreements		777,126	291,306
Acquisition of resale agreements		(687,126)	(366,030)
Proceeds from disposal of property plant and equipment		122	-
Dividend received		8,292	7,110
Interest received		61,846	44,172
Net cash provided by investing activities		181,400	43,561
CASH FLOWS FROM FINANCING ACTIVITIES			
Ordinary dividend paid		(6,955)	-
Net cash used by financing activities		(6,955)	-
Net increase in cash and cash equivalents		253,519	72,767
Cash and cash equivalents at beginning of the year		142,404	69,637
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		395,923	142,404

*Restated note 28

The accompanying notes form an integral part of the financial statements.

1. Corporate structure and nature of business

IronRock Insurance Company Limited (the company) was incorporated June 9, 2015 and is domiciled in Jamaica, with its registered office at 1b Braemar Avenue, Kingston 10. It is a 50.9% subsidiary of Granite Group Limited, a company incorporated and domiciled in St. Lucia. The company is listed on the Junior Market of the Jamaica Stock Exchange.

The principal activity of the company is the underwriting of general insurance business. The company commenced trading March 2016.

2. Insurance licence

The company is registered under the Insurance Act 2001 (the Act).

3. Roles of the actuary and auditors

The actuary is appointed by the Board of Directors pursuant to the Act. With respect to preparation of financial statements, the actuary carries out an actuarial valuation of management's estimate of the company's reinsurance contract assets and insurance contract liabilities and reports thereon to the shareholders. Actuarially determined reinsurance contract assets or insurance contract liabilities consist of the provisions for, and reinsurance recovery of, unpaid claims and adjustment expenses on insurance policies in force. The valuation is made in accordance with accepted actuarial practice, as well as any other matter specified in any directive made by regulatory authorities. The actuary's report outlines the scope of his work and opinion. An actuarial evaluation is prepared annually.

The external auditors are appointed by the shareholders pursuant to the Jamaican Companies Act to conduct an independent and objective audit of the financial statements of the company in accordance with International Standards on Auditing and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the actuary and his report on the company's actuarially determined reinsurance contract assets and insurance contract liabilities. The auditors' report outlines the scope of their audit and their opinion.

4. Statement of compliance, basis of preparation and material accounting policies

(a) Statement of compliance:

The financial statements are prepared in accordance with IFRS Accounting Standards and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act.

Certain new and amended standards and interpretations came into effect during the current financial year, some of which did not have any significant impact on these financial statements.

4. Statement of compliance, basis of preparation and material accounting policies (continued)

(a) Statement of compliance (continued):

Details of the Company’s material accounting policies are included in note 6.

This is the first set of the Company’s annual financial statements in which the IFRS 17 *Insurance Contracts,* IFRS 9 *Financial Instruments* and *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) have been applied. The related changes to material accounting policies are disclosed in note 5.

New and amended standards that became effective during the year:

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their *material* accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.

  The amendments are consistent with the refined definition of material:

  “Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements”.

  The Company adopted *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. The amendments require the disclosure of “material” rather than “significant” accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements (note 6).

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

4. Statement of compliance, basis of preparation and material accounting policies (continued)

(a) Statement of compliance (continued):

New and amended standards that became effective during the year (continued):

- Amendments to IAS 8 (continue)

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g., the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions – e.g., leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

  If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The Company adopted Amendments to IAS 12 *Income Taxes* from January 1, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences-e.g. leases. The amendments did not result in any changes to accounting policies themselves. Instead, the key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised.

4. Statement of compliance, basis of preparation and material accounting policies (continued)

(a) Statement of compliance (continued)

New and amended standards issued but not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards and interpretations have been issued which were not effective for the current year and which the Company has not early-adopted. The Company has assessed them with respect to its operations and has determined that the following are relevant:

- Amendments to IAS 1 *Presentation of Financial Statements* apply retrospectively and is effective for annual periods beginning on or after January 1, 2024. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.

  Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

- Amendments to IAS 1 *Presentation of Financial Statements* apply retrospectively for annual reporting periods beginning on or after January1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current. The amendments require new disclosures for non-current liabilities that are subject to future covenants.

- IFRS 18 *Presentation and Disclosure in Financial Statements*, is effective for annual reporting periods beginning on or after January 1, 2027

  Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement. In particular, it introduces a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company’s main business activities.

  All companies are required to report the newly defined ‘operating profit’ subtotal – an important measure for investors’ understanding of a company’s operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing’ category.

  IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a ‘useful structured summary’ of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

4. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued):

New and amended standards issued but not yet effective (continued):

- Amendments to IFRS 18 (continued)

  IFRS 18 requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures(MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

  Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

The Company is assessing the impact that these amendments may have on its future financial statements.

(b) Basis of preparation:

The financial statements are prepared under the historical cost convention, modified for the inclusion of financial instruments at fair value.

These financial statements are presented in Jamaica dollars ($), which is the functional currency of the company.

This is the first set of the company's annual financial statements in which IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments have been applied. The related changes to material accounting policies are described in Note 5.

(c) Going concern:

The preparation of the financial statements in accordance with IFRS assumes that the company will continue in operational existence for the foreseeable future. This means*, inter alia*, that the statements of financial position and profit or loss and other comprehensive income assume no intention or necessity to liquidate the company or curtail the scale of its operations. This is commonly referred to as the going concern basis.

(d) Use of estimates and judgements:

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expense for the year then ended.

4. Statement of compliance, basis of preparation and material accounting policies (continued)

(d) Use of estimates and judgements (continued):

Actual amounts could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed in the following notes:

(i) Judgement

— Notes 23(e) – measurement of insurance and reinsurance contracts: determining the techniques for estimating risk adjustments for non-financial risk.

5. Changes in accounting policies

The Company has initially applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Company has restated certain comparative amounts and presented a third statement of financial position as at January 1, 2022. Except for the changes below, the Company has consistently applied the accounting policies as set out in Note 6 to all periods presented in these financial statements. The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarised below:

i. IFRS 17 Insurance Contracts

a) Recognition, measurement and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk.

5. Changes in accounting policies (continued)

i. IFRS 17 Insurance Contracts (continued)

a) Recognition, measurement and presentation of insurance contracts (continued)

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses.

The Company applies the premium allocation approach (PAA) to simplify the measurement of its contract. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk. All contracts issued by the company were of one year or less, therefore the Company uses the PAA for measuring all contracts.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss and OCI. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately. For an explanation of how the Company accounts for insurance and reinsurance contracts under IFRS 17, see note 6(c).

ii. Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Company:

— identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied.

— identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment in Note 6 (c) was not applied before 1 January 2022.

5. Changes in accounting policies (continued)

ii. Transition (continued)

— derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts.

— recognised any resulting net difference in equity.

The Company has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on each financial statement line item. The effects of adopting IFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity.

iii. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As a result of the adoption of IFRS 9, the company has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented separately in the statement of profit or loss and OCI. Additionally, the company has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2023, but have not been applied to the comparative information.

Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. For an explanation of how the company classifies financial instruments under IFRS 9, see note 6 (p)(ii).

5. Changes accounting policies (continued)

iii. IFRS 9 Financial Instruments (continued)

Classification and measurement of financial assets and financial liabilities (continued)

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Impairment of financial assets

The following table and the accompanying notes explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets and financial liabilities as at December 31, 2023. The effect of adopting IFRS 9 on the carrying amounts of financial assets at December 31, 2023 relates solely to the new impairment requirements.

	Original classification under IAS 39	**New classification under IFRS 9**	**IFRS 9 carrying amount at December 31, 2023**
			$'000
Financial assets			
Cash and cash equivalents	Loans and receivables	Amortised cost	395,923
Securities purchased under resale agreements	Loans and receivables	Amortised cost	-
Investment – certificates of deposits	Loans and receivables	Amortised cost	101,442
Investment – Quoted equities	Available for sale	Fair value through profit and loss	124,167
Investment – Government of Jamaica Securities	Loan and receivables	Amortised cost	128,817
Investment – Unit Trust	Available for sale	Fair value through profit and loss	898
Corporate Bond	Loans and receivables	Amortised cost	224,797
US Global Bonds	Available for sale	Fair value through OCI	50,398

6. Material accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements:

(a) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and include short-term deposits and other monetary investments with maturities ranging between one and three months from the date of acquisition (i.e original maturity). These are not subject to significant risk of change in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(b) Short-term investments:

Short-term investments comprise fixed deposits with banks, money market securities, and loans and receivables maturing within one year. They are acquired for their earnings potential and for balancing the company's risks on its investment portfolio. Their nature, liquidity and risk are like those of cash and cash equivalents.

(c) Insurance contracts – Classification

Contracts under which the Company accepts significant insurance risk are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk. Insurance contracts may be issued, and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

All of these contracts are measured under the PAA.

Insurance and reinsurance contracts

1. Separating components from insurance and reinsurance contracts

At inception, the Company is required to separate the following components from an insurance or reinsurance contract and account for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and

6. Material accounting policies (continued)

(c) Insurance contracts – Classification (continued)

Insurance and reinsurance contracts (continued)

1. Separating components from insurance and reinsurance contracts (continued)

   - distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

   After separating any financial instrument components, the Company separates any promises to transfer to policyholders' distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

   The Company does not issue any insurance contracts that contain components which would not be in the scope of IFRS 17.

2. Aggregation and recognition of insurance and reinsurance contracts

   Insurance contracts

   Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

   - any contracts that are onerous on initial recognition.
   - any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
   - any remaining contracts in the annual cohort.

   An insurance contract issued by the Company is recognised from the earliest of:

   - the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
   - when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
   - when facts and circumstances indicate that the contract is onerous.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

2. Aggregation and recognition of insurance and reinsurance contracts (continued)

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date:

- Reinsurance contracts initiated by the Company that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.

- Other reinsurance contracts initiated by the Company: The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Company's excess of loss reinsurance contracts.

3. Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts, then they are allocated to that group and to the groups that will include renewals of those contracts. The Company expects to recover part of the related insurance acquisition cash flows through cancellation of these contracts. The allocation cancellation is based on the way the Company expects to recover those cash flows.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

3. Insurance acquisition cash flows (continued)

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method. Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts .

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

a. recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and

b. if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

c. The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

The Company does not recognise an asset for insurance acquisition cash flows as at the reporting date.

4. Contract Boundaries

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts: Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

4. Contract Boundaries (continued)

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not consider risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.

Reinsurance contracts: Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

5. Measurement – Contracts measured under the PAA

The Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

Insurance contracts: The coverage period of each contract in the group is one year or less. The Company determines the coverage period to be the period in which an insured event can occur for which a policyholder can make a valid claim.

Loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

5. Measurement – Contracts measured under the PAA (continued)

Risk-attaching reinsurance contracts: The Company reasonably expects that the resulting measurement of the asset for remaining coverage under the PAA would not differ materially from the result of applying the general measurement model. When comparing the different possible measurements, the Company considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

Insurance contracts: On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows. The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition.

On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Company has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The company will not discount fulfilment cash flows as they are expected to be paid in one year or less from the date claims are incurred.

The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

5. Measurement – Contracts measured under the PAA (continued)

Reinsurance contracts: The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

6. Derecognition and contract modification

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

7. Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and OCI into

(a) an insurance service result, comprising insurance revenue and insurance service expenses; and
(b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the insurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

7. Presentation (continued)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue: The insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the bases of:

- the passage of time.

Insurance service expenses: Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They comprise the following items.

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows: the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net expenses from reinsurance contracts: Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

The allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

6. Material accounting policies (continued)

(c) Insurance, reinsurance and investment contracts – Classification (continued)

7. Presentation (continued)

Net expenses from reinsurance contracts (continued):

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance finance income and expenses: Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein.

8. Transition

At 1 January 2022, the Company applied the full retrospective approach on transition to IFRS 17.

(d) Provisions:

A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligations.

(e) Related parties:

A related party is a person or company that is related to the entity which is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity.

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

6. Material accounting policies (continued)

(e) Related parties (continued):

(b) An entity is related to the reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan established for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is apart provides key management services of the company.

A related party transaction involves transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The company has a related party relationship with its directors, parent company, and key management personnel. "Key management personnel" represents certain senior officers of the company.

(f) Impairment of financial assets:

The company recognises loss allowances for ECL on debt instruments that are not measured at FVTPL.

The company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and

- other financial instruments on which credit risk has not increased significantly since their initial recognition.

6. Material accounting policies (continued)

(f) Impairment of financial assets (continued):

The company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The company does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2' financial instruments.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised costs are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- significant financial difficulty of the borrower or issuer; or

- the disappearance of an active market for a security because of financial difficulties.

6. Material accounting policies (continued)

(f) Impairment of financial assets (continued):

In making an assessment of whether an investment in sovereign debt is credit-impaired, the company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as financial assets measured at amortised cost; as a deduction from the gross carrying amount of the assets;

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering the full amount or a portion of financial asset. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

(i) Calculation of recoverable amount:

The recoverable amount of the company's investment securities classified as loans and receivables and other receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

6. Material accounting policies (continued)

(f) Impairment of financial assets (continued):

(ii) Reversals of impairment:

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Property, plant and equipment:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the company and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of such assets, at the following annual rates:

Furniture, fixtures and equipment	10%
Computer	33%

The depreciation methods, useful lives and residual values are reassessed annually at each reporting date.

(h) Intangible assets and amortisation:

This includes computer software acquired by the company. This is measured at cost less accumulated amortisation and impairment losses. The estimated useful life of computer software is ten (10) years.

(i) Foreign currencies:

Foreign currency balances at the reporting date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

6. Material accounting policies (continued)

(i) Foreign currencies (continued):

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the relevant balances.

(j) Revenue recognition

Revenue comprises the fair value for services rendered.

Revenue is recognised as follows:

(a) Insurance revenue

Insurance revenue is recognised in accordance with the requirements of IFRS 17

Investment income

Interest income is recognised using the effective interest method. Interest income is calculated by applying the effective interest rate method to the gross carrying amount of financial assets, except for:

- Purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost i.e. net of the expected credit loss provision.

Dividend income is recognised when the right to receive payment is established.

(b) Realised and unrealised investment gains and losses

Realised and unrealised gains and losses on investments measured at amortised cost or fair value through profit or loss are recognised in the statement of income in the period in which they arise.

Unrealised gains and losses on investment securities measured at fair value through other comprehensive income are recognised in other comprehensive income. On derecognition, debt securities gains and losses accumulated in other comprehensive income are reclassified to the statement of income.

(c) Commission income

Reinsurance commission is recognised on a basis that is consistent with the recognition of the costs incurred on the acquisition of the underlying insurance contracts. Profit commission in respect of reinsurance contracts is recognised on an accrual basis.

6. Material accounting policies (continued)

(k) Taxation:

Taxation of the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive, in which case it is also recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(l) Employee benefits:

(i) Pension contribution

Pension plan costs are contributions by the company to approved retirement schemes. Obligations for contributions by the company to the schemes are recognised as an expense in profit or loss as they fall due.

(ii) Other employee benefits

Employees' entitlements to leave are recognised when they accrue to employees. A provision is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the reporting date.

(m) Securities purchased under resale agreements:

Securities purchased under resale agreements ("reverse repos") are short-term transactions whereby an entity buys securities and simultaneously agrees to resell the securities on a specified date and at a specified price. Title to the security is not actually transferred unless the counterparty fails to comply with the terms of the contract.

Reverse repos are accounted for as short-term collateralised lending, classified as loans and receivables and measured at amortised cost. The difference between the sale and repurchase considerations is recognised on an accrual basis over the period of the transaction and is included in interest income.

6. Material accounting policies (continued)

(n) Segment reporting:

A segment is a distinguishable component of the company that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The company does not track assets per line of business as these a managed on a combined basis, however insurance liabilities, income and expenses are tracked based on the line of business [See note 29 and 23 (c)]. The company does not track the other expenses and assets by segment.

(o) Determination of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

The company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change occurs.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents, investments, securities purchased under resale agreements, reinsurance contract assets, receivables and amounts due from related party. Financial liabilities include accounts payable, other payables and insurance contract assets.

(i) Recognition and initial measurement

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets – Policy applicable from January 1, 2023

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified after their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieve by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment: Policy applicable from January 1, 2023

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from January 1, 2023

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

The company's objective is achieved by both collecting contractual cash flows and selling financial assets.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from January 1, 2023 (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers the following:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features.
- terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Reclassification

Financial assets are not reclassified after their initial recognition except in the period after the company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first reporting period following the change in business model.

Policy applicable before January 1, 2023

Management determines the appropriate classification of investments at the time of purchase, taking account of the purpose for which the investments were purchased.

The company classified non-derivative financial assets into the following categories:

- Loans and receivables: Securities acquired with fixed or determinable payments, and which were not quoted in an active market, were classified as loans and receivables.

- Financial instruments carried at fair value through profit or loss: Securities acquired which are quoted in an active market were classified as investments carried at fair value through profit or loss. They were intended to be held for an indefinite period and may be sold in response to needs for liquidity or changes in interest rates or market price.

- Other financial liabilities: The company classified non-derivative financial liabilities into this category.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(iii) Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. An example of such transactions are sale-and-repurchase transactions.

In transactions in which the company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Policy applicable from January 1, 2023

- Financial assets at FVTPL-These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amortised cost-These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(iii) Derecognition (continued)

Policy applicable from January 1, 2023 (continued)

- Debt investments at FVOCI-These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

- Unquoted equity investments at FVOCI-These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Loans and receivables: On initial recognition they are measured at fair value, plus any directly attributable transaction costs. After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses. Premiums and discounts are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

Where securities classified as loans and receivables become quoted in an active market, such securities will not be reclassified as Financial assets at FVTPL. An active market is one where quoted price are readily and regularly available from an exchange dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial assets at FVTPL: On initial recognition, they are measured at fair value plus any directly attributable transaction costs. After initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value treated as follows:

- Changes in the fair value of monetary securities denominated in a foreign currency and classified as Financial assets at FVTPL are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of securities classified as Financial assets at FVOCI are recognised in other comprehensive income.

- When securities classified as Financial assets at FVOCI are sold or impaired, and therefore derecognised, the accumulated fair value adjustments accumulated in other comprehensive income are reclassified to profit or loss.

6. Material accounting policies (continued)

(p) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS.

7. Property, plant and equipment

	Computer $'000	Leasehold improvement $'000	Furniture, fixtures and equipment $'000	Total $'000
Cost:				
December 31, 2021	29,336	827	15,281	45,444
Additions	2,822	-	-	2,822
December 31, 2022	32,158	827	15,281	48,266
Disposal	(175)	-	-	(175)
Additions	1,360	-	302	1,662
December 31, 2023	33,343	827	15,583	49,753
Accumulated depreciation:				
December 31, 2021	16,261	827	7,871	24,959
Charge for the year	3,766	-	824	4,590
December 31, 2022	20,027	827	8,695	29,549
Disposals	(175)	-	-	(175)
Charge for the year	3,951	-	780	4,731
December 31, 2023	23,803	827	9,475	34,105
Net book values:				
December 31, 2023	9,540	-	6,108	15,648
December 31, 2022	12,131	-	6,586	18,717

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

8. Intangible asset

	Software
	$'000
Cost:	
December 31, 2022	6,425
Additions	1,200
December 31, 2023	7,625
Amortisation:	
December 31, 2021	3,235
Charge for the year	642
December 31, 2022	3,877
Charge for the year	776
December 31, 2023	4,653
Net book value:	
December 31, 2023	2,972
December 31, 2022	2,548

9. Deferred taxation

Deferred income taxes are calculated using a principal tax rate of 16.67% (33⅓% restricted to 50% based on remission years 5 to 10).

Deferred tax asset is attributable to the following:

	December 31, 2021	Recognised in income	December 31, 2022	Recognised in income	December 31, 2023
	$'000	$'000 (note 22)	$'000	$'000 (note 22)	$'000
Property plant and equipment	(354)	(330)	(684)	(137)	(821)
Other receivables	(1,079)	(325)	(1,404)	(518)	(572)
Unrealised foreign exchange gains	(171)	(318)	(489)	(83)	(1,922)
Unrealised gains/(loss) on investment	-	-	-	(102)	(102)
Tax losses	9,596	(701)	8,895	(8,895)	-
	7,992	(1,674)	6,318	(9,735)	(3,417)

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

10. Investments

	2023			
	Fair value through other comprehensive income $'000	Amortised cost $'000	Fair value through Profit and loss $'000	Total $'000
Quoted shares	-	-	49,219	49,219
Preference shares	-	-	74,948	74,948
Unit Trust	-	-	898	898
Corporate Bonds JM	-	157,222	-	157,222
Corporate Bonds US	-	68,781	-	68,781
Global Bonds - TT	50,398	-	-	50,398
GOJ Bonds	-	129,188	-	129,188
	50,398	355,191	125,065	530,654
Less: Impairment allowance	-	(1,576)	-	(1,576)
	50,398	353,615	125,065	529,078

	2022			
	Fair value through other comprehensive income $'000	Amortised cost $'000	Fair value through Profit and loss $'000	Total $'000
Quoted shares	-	-	51,991	51,991
Preference shares	-	-	60,319	60,319
Unit Trust	-	-	984	984
Corporate Bonds JM	-	105,342	-	105,342
Corporate Bonds US	-	68,811	-	68,811
Global Bonds - TT	49,323	-	-	49,323
GOJ Bonds	-	129,533	-	129,533
	49,323	303,686	113,294	466,303

Investments include Government of Jamaica securities and corporate bonds denominated in foreign currency aggregating US$1,046,978 (2022: US$1,336,000).

A Jamaica dollar Government of Jamaica bond of $45,000,000 (2022: $45,000,000) is held to the order of the Financial Services Commission as required by the Insurance Act 2001.

Investments, excluding interest receivable, are due from the reporting date as follows:

	2023 $'000	2022 $'000
No specific maturity	125,065	113,293
1 year to 5 years	271,905	220,585
Over 5 years	132,108	132,425
	529,078	466,303

10. Investments (continued)

Credit risk

The following table presents the fair value and the amount of the change in fair value of the company's financial assets as at and for the year ended December 31, 2023 and December 31, 2022, showing separately the fair value of financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI") and the fair value of financial assets that do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding ("non-SPPI"):

	December 31, 2023		
Credit rating	Carrying value Amount	Fair value	% of Fair value
	$'000	$'000	
Bonds and debentures and short-term investments			
AA-	38,384	36,719	7%
BB	156,954	162,882	32%
BBB	54,791	53,625	10%
BBB-	19,972	19,844	4%
BB-	208,914	211,608	42%
B+	26,440	26,440	5%
	505,455	511,118	100%

	December 31, 2022		
Credit rating	Carrying value Amount	Fair value	% of Fair value
	$'000	$'000	
Bonds and debentures and short-term investments			
BB	20,000	20,000	4%
BBB	77,696	77,696	14%
B	416,301	420,594	77%
B+	25,816	25,816	5%
	539,813	544,106	100%

11. Due from related party

This balance is due from Granite Group Limited. The amount is unsecured and payable on demand. Other terms are to be determined. There was no other transaction with Granite Group Limited during the year. Related party receivables are determined to have low credit risk. The expected credit losses on these balances are immaterial.

12. Receivables

	2023 $'000	2022 $'000
Accrued investment income	12,069	11,247
Other receivables	40,012	2,707
	52,081	13,954

Information relating to credit risk management of receivables is outlined in more detail in note 24(a)(i). No impairment loss was recognised in respect of other receivables in the current or prior year. These are considered to have low credit risk.

13. Short term investments

	2023 $'000	2022 $'000
Amortised Cost:		
USD Bonds	38,396	82,604
JMD Bonds	63,227	104,200
	101,623	186,804
Less: Impairment allowance	(181)	-
	101,442	186,804

14. Securities purchased under resale agreements

	$'000	$'000
Securities purchased under resale agreements	-	90,000

The fair value of securities held as collateral for securities purchased under resale agreements as at December 31, 2023 was $Nil (2022: $93,901,000).

15. Other payables

	2023 $'000	2022 $'000
Other payables and accrued charges	37,372	35,243

16. Insurance and reinsurance contracts

i) Insurance contract liabilities:

	2023			
	Total			
	LRC	LIC		
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000
Opening liabilities	**180,516**	**319,228**	**31,090**	**530,834**
Changes in the statement of profit or loss and OCI				
Insurance revenue	(1,395,361)	-	-	(1,395,361)
Insurance service expenses				
Incurred claims and other insurance acquisition cash flows	273,353	251,036	-	524,389
Adjustments to liabilities for incurred claims	-	35,356	5,345	40,701
	273,353	**286,392**	**5,345**	**565,090**
Insurance service results	**(1,122,008)**	**286,392**	**5,345**	**(830,271)**
Net finance expense from insurance contracts	-	(9,497)	-	(9,497)
Effects of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(1,122,008)**	**276,895**	**5,345**	**(839,768)**
Cash flows				
Premiums received	1,558,276	-	-	1,558,276
Claims and other insurance service expenses paid	-	(198,944)	-	(198,944)
Insurance acquisition cash flows	(273,353)	-	-	(273,353)
Total cash flows	**1,284,923**	**(198,944)**	**-**	**1,085,979**
Closing liabilities	**343,431**	**397,179**	**36,435**	**777,045**

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

16. Insurance and reinsurance contracts (continued)

i) Insurance contract liabilities (continued):

	2022			
	Total			
	LRC	LIC		
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000
Opening liabilities	**115,548**	**225,013**	**23,579**	**364,140**
Changes in the statement of profit or loss and OCI				
Insurance revenue	(991,895)	-	-	(991,895)
Insurance service expenses				
Incurred claims and other insurance acquisition cash flows	221,680	196,150	-	417,830
Adjustments to liabilities for incurred claims	-	66,073	7,511	73,584
	221,680	**262,223**	**7,511**	**491,414**
Insurance service results	(770,215)	**262,223**	**7,511**	**(500,481)**
Net finance expense from insurance contracts	-	(13,550)	-	(13,550)
Effects of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(770,215)**	**248,673**	**7,511**	**(514,031)**
Cash flows				
Premiums received	1,020,921	-	-	1,020,921
Claims and other insurance service expenses paid	-	(154,458)	-	(154,458)
Insurance acquisition cash flows	(185,738)	-	-	(185,738)
Total cash flows	**835,183**	**(154,458)**	**-**	**680,725**
Closing liabilities	**180,516**	**319,228**	**31,090**	**530,834**

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

16. Insurance and reinsurance contracts (continued)

ii) Reinsurance contract assets

	2023			
	Total			
	ARC	AIC		
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000
Opening assets	(68,536)	329,871	12,567	273,902
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums	(1,177,401)	-	-	(1,177,401)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	270,773	160,620	-	431,393
Adjustments to assets for incurred claims	-	28,778	-	28,778
Effect of changes in non-performance risk of reinsurers	-	6,676	-	6,676
Net expenses from reinsurance contracts	(906,628)	**196,074**	-	(710,554)
Net finance income from reinsurance contracts	-	(6,478)	-	(6,478)
Effects of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(906,628)	**189,596**	-	(717,032)
Cash flows				
Premiums paid	1,166,135	-	-	1,166,135
Amounts received (Commission)	(270,472)	(25,754)	-	(296,226)
Total cash flows	**895,663**	**(25,754)**	**-**	**869,909**
Closing assets	**(79,501)**	**493,713**	**12,567**	**426,779**

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

16. Insurance and reinsurance contracts (continued)

ii) Reinsurance contract assets (continued)

	2022			
	Total			
	ARC	AIC		
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	$'000	$'000	$'000	$'000
Opening assets	**(50,169)**	**196,046**	**12,567**	**158,444**
Changes in the statement of profit or loss and OCI				
Allocation of reinsurance premiums	(821,781)	-	-	(821,781)
Amounts recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	213,411	132,555	-	345,966
Adjustments to assets for incurred claims	-	34,313	-	34,313
Effect of changes in non-performance risk of reinsurers	-	3,893	-	3,893
Net expenses from reinsurance contracts	(608,370)	**170,761**	-	**(437,609)**
Net finance income from reinsurance contracts	-	(8,608)	-	(8,608)
Effects of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	(608,370)	**162,153**	-	**(446,217)**
Cash flows				
Premiums paid	803,378	-	-	803,378
Amounts received (Commission)	(213,375)	(28,328)	-	(241,703)
Total cash flows	**590,003**	(28,328)	-	**561,675**
Closing assets	**(68,536)**	**329,871**	**12,567**	**273,902**

16. Insurance and reinsurance contracts (continued)

iii) Assets for insurance acquisition cash flows

	$'000
Balance as at 1 January, 2022	78,929
Amounts derecognised and included in the measurement of insurance contracts	11,569
Balances at 31 December 2022	90,498
Balance as at 1 January, 2023	90,498
Amounts derecognised and included in the measurement of insurance contracts	23,687
Balances at 31 December 2023	114,185

Assets for insurance acquisition cash flows are presented in the carrying amount of the related portfolio of insurance contracts as follows:

	$'000
Balance at January 1, 2022	
Presented in insurance contract liabilities	78,929
Balance at 31 December 2022	
Presented in insurance contract liabilities	90,498
Balance at 31 December 2023	
Presented in insurance contract liabilities	114,185

Insurance acquisition cashflows will be derecognised in the next financial year.
Insurance acquisition cashflows are included in the liability for remaining coverage.

17. Share capital

	2023 $'000	2022 $'000
Authorised:		
25,000,000,000 ordinary shares of no par value		
Stated capital:		
Issued and fully paid as stock units:		
214,000,000 (2022: 214,000,000) ordinary shares of no par value	485,824	485,824
Less: Share issue costs	(20,284)	(20,284)
	465,540	465,540

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

18. Capital reserves

This represents contributed capital of $139,340,000 (2022: $139,340,000), from parent company.

19. Disclosure of expenses

Profit before taxation is stated after charging:

(a) Related party transactions :

		2023	Restated* 2022
		$'000	$'000
Compensation of key management personnel is as follows:			
Short term employment benefits		49,248	46,637
Pension contributions [see note 6(l)]		3,142	2,360
		52,390	48,997
Directors	- Premiums	83,440	59,195
	- Claims paid	3,108	72

(b) Operating expenses:

	2023	Restated* 2022
	$'000	$'000
Claims and Benefits	282,244	256,182
Salaries and employee benefits	115,463	107,560
Directors remuneration	4,625	4,625
Professional fees (other than legal)	15,028	5,983
Commissions	155,257	118,003
Depreciation and Amortisation	5,507	5,232
Occupancy expenses (including rent, leasing and maintenance)	6,600	6,600
Information technology	25,132	21,746
Inspections and Investigations	8,700	8,195
Audit Fees	15,000	11,233
Motor Vehicle Expenses	13,148	12,344
Other expenses	32,647	27,919
	679,351	585,622
Amounts attributed to insurance acquisition cash flows		
Amortisation of insurance acquisition cash flows	(5,251)	(4,154)
	674,100	581,468
Represented by:		
Insurance service expenses	555,594	477,864
General and operating expenses	118,506	103,604
Total	674,100	581,468

20. Investment income

	2023 $'000	2022 $'000
(a) Interest income recognised using the effective interest method:		
Securities at amortised cost	57,371	43,073
Securities at FVOCI	5,299	3,709
	62,670	46,782
(b) Other investment revenue:		
Dividend income	8,292	7,110
Unrealized loss on investment	(3,295)	-
Gain on sale of investment	6,391	10,367
	11,388	17,477

21. Earnings per share

Earning per ordinary stock unit, is calculated by dividing the profit attributable to shareholders by the number of stock units in issue during the year. The basic earnings per ordinary stock unit and diluted earnings per ordinary stock unit are the same as there are no dilutive potential shares.

	2023 $'000	2022 $'000
Profit for the year	83,964	33,629
Number of ordinary stock unit in issue (‘000)	214,000	214,000
Earnings per share	39 cents	16 cents

22. Taxation

(a) The charge for taxation is based on profit for the year adjusted for tax purposes and comprises the following:

	2023 $’000	Restated* 2022 $’000
(i) Current taxation:		
Income tax at 16.67% [note 22(d)]	9,401	701
(ii) Deferred taxation:		
Origination and reversal of temporary differences (note 9)	9,735	1,674
	19,136	2,375

22. Taxation (continued)

(b) The expense is based on the profit for the year adjusted for tax purposes and is made up as follows:

	2023 $'000	Restated* 2022 $'000
Reconciliation of effective tax rate:		
Profit before taxation	103,100	33,629
Computed "expected" tax expense at 16.67 % [note 22(d)]	17,187	5,605
Difference between profit for financial statements and tax reporting purposes on:		
Depreciation charge and capital allowances	(48)	107
Items not allowed for tax purposes	1,917	(3,359)
Capital foreign exchange loss	515	1,047
Effects of IFRS 17 adoption not subjected to tax	-	(516)
Dividend	(435)	(509)
Actual tax expense	19,136	2,375

(c) Subject to the agreement of the Commissioner General, Tax Administration Jamaica, tax losses aggregating approximately $Nil (2022: $53,358,000) are available for set off against future taxable profits. If unutilised, these can be carried forward indefinitely, however the amount that can be utilised is restricted to 50% of chargeable income (before prior year) in any one year.

(d) The company's shares were listed on the Junior Market of the Jamaica Stock exchange, effective March 15, 2016. 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 fifteen (15) years:

Year 1 to 5	100%
Year 5 to 10	50%

The tax rate applicable to the company is 33⅓%. However, due to the 50% remission, a tax rate of 16.67% is applied.

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

23. Insurance risk management

Risk management objectives and policies for mitigating insurance risk:

(a) Overview:

The company's management of insurance risk is a critical aspect of the business. The primary insurance activity carried out by the company is the transfer of risk from persons or entities that are directly subject to the risk, by means of the sale of insurance policies. As such the company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these policies.

23. Insurance risk management (continued)

Risk management objectives and policies for mitigating insurance risk (continued):

(a) Overview (continued):

Underwriting strategy:

The company seeks to underwrite a balanced portfolio of risks at rates and terms that will produce underwriting results consistent with its long-term objectives.

The board of directors approves the underwriting strategy which is set out in an annual business plan and management is responsible for the attainment of the established objective.

Reinsurance strategy:

The company reinsures a portion of the risks it underwrites in order to protect capital resources and to limit its exposure to variations in the projected frequency and severity of losses.

Ceded reinsurance includes credit risk, and the company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The board of directors is responsible for setting the minimum security criteria for accepting reinsurance and monitoring the purchase of reinsurance against those criteria. They also monitor its adequacy on an ongoing basis. Credit risk on reinsurance is addressed in more detail in note 24(a).

(b) Terms and conditions of general insurance contracts:

The table below provides an overview of the terms and conditions of general insurance contracts written by the company and the key factors upon which the timing and uncertainty of future cash flows of these contracts depend.

Type of contract	**Terms and conditions**	**Key factors affecting future cash flows**
Liability	Under these contracts, compensation is paid for injury suffered by individuals, including corporate contracts to cover employees or external agents. The main liability exposures are in relation to death, bodily injury, and damage to property.	The timing of claim reporting and settlement is a function of factors such as the nature of the coverage and the policy provisions. The majority of bodily injury claims have a relatively short tail and are settled in full within four years. In general, these contracts involve greater estimation uncertainty.

23. Insurance risk management (continued)

(b) Terms and conditions of general insurance contracts (continued):

Type of contract	Terms and conditions	Key factors affecting future cash flows
Property	Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property and business interruption arising from this damage.	The risk on any policy varies according to many factors such as location, safety measures in place and the age of the property. The event giving rise to a claim for damage to buildings or contents usually occurs suddenly (as for fire and burglary) and the cause is easily determinable. Therefore, claims are generally notified promptly and can be settled without delay. The cost of repairing, rebuilding or replacement of assets and/or contents and the time taken to restart or resume operations to original levels for business interruption losses are the key factors influencing the level of claims under these policies.
Motor	Motor insurance contracts provide cover in respect of policyholders' motor vehicles and their liability to third parties in respect of damage to property and injury. The exposure on motor insurance contracts is normally limited to the replacement value of the vehicle and a policy limit in respect of third party damage.	In general, claims reporting lags are minor and claim complexity is relatively low. The frequency of claims is affected by excessive speeding, the condition of the road network, failure by some motorists to obey traffic signals and an overall increase in the incidence of motor vehicle theft. The number of claims is also correlated with economic activity, which also affects the amount of traffic activity.

23. Insurance risk management (continued)

(c) Risk exposure and concentrations of risk:

Liability contracts:

Risks arising from liability insurance are managed primarily through pricing, product design, risk selection, adopting an appropriate investment strategy, rating and reinsurance. The company monitors and reacts to changes in the general economic and commercial environment in which it operates to ensure that only liability risks which meet its criteria for profitability are underwritten. In pricing contracts, the company makes assumptions that costs will increase in line with the latest available financial and actuarial forecasts.

Property contracts:

The risks relating to property contracts are managed primarily through the pricing process. The company uses strict underwriting criteria to ensure that the risk of losses is acceptable. Furthermore, the company accepts property insurance risks for one year so that each contract can be re-priced on renewal to reflect the continually evolving risk profile.

Motor contracts:

The risks relating to motor contracts are managed primarily through the pricing process. The company monitors and reacts to changes in trends of injury awards, litigation and the frequency of claims.

The following table shows the company's exposure to general insurance risk (based on the carrying value of claims outstanding at the reporting date) per class of business.

	2023				
	Liability $'000	Property $'000	Motor $'000	Other $'000	Total $'000
Gross	116,131	28,255	242,192	47,036	433,614
Net of reinsurance	40,759	3,804	115,936	10,467	170,966

	2022				
	Liability $'000	Property $'000	Motor $'000	Other $'000	Total $'000
Gross	76,092	31,911	218,555	23,760	350,318
Net of reinsurance	34,969	3,758	106,063	6,195	150,985

(d) Claims development:

Claims development information is disclosed in order to illustrate the insurance risk inherent in the company. The top part of the table shows how the estimates of total claims for each accident year develop over time. The estimates are increased or decreased as losses paid and more information become known about the severity of unpaid claims. The lower part of the table provides a reconciliation of the total provision included in the statement of financial position and the estimate of cumulative claims.

23. Insurance risk management (continued)

(d) Claims development (continued):

	Analysis of net claims development accident year					
	2019	2020	2021	2022	2023	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Estimate of cumulative claims at end of accident year	210,852	184,004	191,043	256,858	279,945	
- one year later	221,437	238,963	186,578	271,804		
- two years later	284,125	235,449	194,860	-		
- three years later	297,749	230,465	-	-	-	
- four years later	292,250	-	-	-	-	
Estimate of cumulative claims	292,250	230,465	194,860	271,804	279,945	1,269,324
Cumulative payments to date	(270,544)	(216,480)	(125,466)	(164,947)	(57,441)	(834,878)
Gross undiscounted outstanding claims liability	21,706	13,985	69,394	106,857	222,504	434,446
Ceded claims liability	(11,986)	(7,495)	(48,161)	(62,763)	(132,185)	(262,590)
Net undiscounted claims liabilities	9,720	6,490	21,233	44,094	90,319	171,856
Discounting	(1,273)	(333)	(1,475)	(2,925)	(8,183)	(14,189)
Risk adjustment	801	526	1,790	3,706	6,476	13,299
Net outstanding claims liability	9,248	6,683	21,548	44,875	88,612	170,966

(e) Fulfilment cash flows

Fulfilment cash flows compromise:

- Estimates of future cash flows;
- Fulfilment cash flows are not discounted as they are expected to be paid in one year or less from the date claims are incurred;
- A risk adjustment for non-financial risk.

The company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company will use stochastic modelling techniques to estimate the expected present value, however currently there are no significant interdependencies.

23. Insurance risk management (continued)

(e) Fulfilment cash flows (continued)

Estimates of future cash flows

In estimating future cash flows, the company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historic data about claims and other experience, updated to reflect current expectations of future events.

The estimate of future cash flows reflect the company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The point estimates have inherent impact of inflation.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- Administration costs; and
- Recurring commissions payable on instalment premiums receivable within the contract boundary.

Discount rates

All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. The company generally determines the risk free-rates using the observed mid-price swap yield curves for AA-rated banks (adjusted for the bank's credit risk). The company used the risk free rates provided by FSC Jamaica with a credit rating of BB- (2022: Bloomberg rates as at 31st March 31, 2023 with a credit rating of B+) (2021: Government of Jamaica treasury bills with a credit rating of B+).

23. Insurance risk management (continued)

(e) Fulfilment cash flows (continued)

Discount rates (continued)

The table below sets out the yield curves used to discount the cash flows of insurance contracts for major currencies.

The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. For markets in which there is no reliable swap yield curve, government bond yields are used. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only on significant changes to long-term expectations. To reflect the liquidity characteristics of the insurance contracts, the risk-free yield curves are adjusted by an illiquidity premium. Illiquidity premiums are generally determined by comparing the spreads on corporate bonds with the costs of CDSs with matching critical terms for the same issuer.

	2023			2022		
	1 year	5 years	10 years	1 year	5 years	10 years
General insurance (issued and reinsurance held)	8.41%	7.48%	10.57%	6.9%	7.34%	7.75%

Risk adjustments for non-financial risk

To determine the risk adjustments for non-financial risk for reinsurance contracts, the company applies these techniques both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

Applying a confidence level technique, the company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

(f) Sensitivity analysis

The table below analyses how the, profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities both before and after risk mitigation by reinsurance and assumes that all other variables remain constant.

	2023			
	Profit or loss		Equity	
	Gross	Net	Gross	Net
	$'000	$'000	$'000	$'000
Ultimate claims (5% increase)	(20,732)	(7,600)	(20,732)	(7,600)
Ultimate claims (5% decrease)	20,732	7,600	20,732	7,600

23. Insurance risk management (continued)

(f) Sensitivity analysis (continued)

	2022			
	Profit or loss		Equity	
	Gross	Net	Gross	Net
	$'000	$'000	$'000	$'000
Ultimate claims (5% increase)	(16,509)	(6,539)	(16,509)	(6,539)
Ultimate claims (5% decrease)	16,509	6,539	16,509	6,539

24. Financial risk management

The company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

Risk management framework:

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the company's financial risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to established limits. The Chief Executive Officer and Chief Financial Officer are responsible for developing and monitoring the company's financial risk management policies. These persons report regularly to the Board on their activities. The Audit Committee oversees how management monitors compliance with the company's management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The focus of financial risk management for the company is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its insurance contracts. The goal of the investment management process is to optimise the, risk-adjusted net of taxes investment income and risk-adjusted total return by investing in a diversified portfolio of securities, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

The Management team is responsible for the asset/liability management policy of the company. This policy details the framework for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the required monitoring processes. The matching of assets and liabilities is also governed by the existing regulatory framework.

24. Financial risk management (continued)

Risk management framework (continued):

The asset/liability matching process is largely influenced by estimates of the timing of payments. These estimates are revaluated on a regular basis. There are also criteria for ensuring the matching of assets and liabilities as investment markets change.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a counterparty fails to meet its contractual obligations. The company's key areas of exposure to credit risk include:

- debt securities, and cash and cash equivalents;
- receivables;
- reinsurers' share of insurance liabilities; and
- amounts due from reinsurers in respect of payments already made to policyholders.

The nature of the company's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

(i) Management of credit risk

The company manages its credit risk in respect of debt securities by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. The company has a policy of investing only in high quality corporate bonds and government issued debts.

Its exposure to individual policyholders and groups of policyholders is monitored as part of its credit control process. Financial analyses are conducted for significant exposures to individual policyholders or homogenous groups of policyholders.

All intermediaries must meet minimum requirements that are established and enforced by the company's management. The credit ratings and payment histories of intermediaries are monitored on a regular basis.

The company also operates a policy to manage its reinsurance counterparty exposures. The company assesses the credit worthiness of all reinsurers by reviewing public rating information and from internal investigations. The impact of reinsurer default is measured regularly and managed accordingly.

Exposure to credit risk

	2023							
	AA	A	B	BBB	BB-	BBB-	Not rated	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets:								
Investments	-	-	26,440	34,820	322,781	19,972	125,065	529,078
Short-term investment	38,384	-	-	19,972	43,086	-	-	101,442
Cash and cash equivalents	-	-	-	-	349,001	-	46,922	395,923
	38,384	-	26,440	54,792	714,868	19,972	171,987	1,026,443
Reinsurance assets								
Neither past due nor impaired	331,746	95,033	-	-	-	-	-	426,779
Receivables:								
Neither past due nor impaired	-	-	-	-	-	-	52,081	52,081
Due to related party	-	-	-	-	-	-	746	746

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

24. Financial risk management (continued)

Risk management framework (continued):

(a) Credit risk (continued)

(i) Management of credit risk (continued)

	2022							
	AA $'000	A $'000	B+ $'000	BBB $'000	BB- $'000	BBB- $'000	Not rated $'000	Total $'000
Financial assets:								
Investments	-	-	279,314	53,696	20,000	-	113,293	466,303
Short-term investments	-	-	162,804	24,000	-	-	-	186,804
Cash and cash equivalents	-	-	105,000	-	-	-	37,404	142,404
Securities purchased under resale agreement	-	-	-	-	-	-	-	-
	-	-	547,118	77,696	20,000	-	150,697	795,511
Reinsurance assets								
Neither past due nor impaired	250,891	23,011	-	-	-	-	-	273,902
Receivables:								
Neither past due nor impaired	-	-	-	-	-	-	13,954	13,954
Due to related party	-	-	-	-	-	-	2,984	2,984

The carrying amounts of financial assets and cash and cash equivalents do not include any assets that are either past due or impaired.

The company has no financial assets or reinsurance assets that would have been past due or impaired, whose terms have been renegotiated.

The company does not hold any collateral as security or any credit enhancements, (such as guarantees, credit derivatives and netting arrangements that do not qualify for offset).

(ii) Investments in debt securities:

The Company limits its exposure to credit risk associated with investment securities by investing mainly in liquid securities with counterparties that have high credit quality and Government of Jamaica securities.

Credit quality

The Company identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the company supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

24. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Investments in debt securities (continued):

12-month and lifetime probabilities of default are based on historical data supplied by each credit rating and are recalibrated based on current bond yields. Loss given default (LGD) parameters generally reflect an assumed recovery rate of percent except when the security is credit-impaired, in which case the estimate of loss based on the instrument's current market price and original effective interest rate.

The following table sets out the credit quality of debt investment securities based on Standard and Poor's and Moody's ratings as follows:

	2023	
	Stage 1	Total
	$'000	$'000
Debt Securities at Amortised Cost:		
AA-	38,384	38,384
BB	156,953	156,953
BBB	30,833	30,833
BBB-	19,972	19,972
BB-	208,914	208,914
Total carrying amount	455,056	455,056
Loss allowance	(1,757)	(1,757)
Debt Securities at FVOCI:		
BBB	23,958	23,958
B+	26,440	26,440
Total carrying amount	50,398	50,398
Loss allowance	(5)	(5)

24. Financial risk management (continued)

(a) Credit risk (continued)

(ii) Investments in debt securities (continued):

	2022	
	Stage 1	Total
	$'000	$'000
Debt Securities at Amortised Cost:		
BB	20,000	20,000
BBB	54,189	54,189
B	416,301	416,301
Total carrying amount	490,490	490,490
Loss allowance	-	-
Debt Securities at FVOCI:		
BBB	23,507	23,507
B+	25,816	25,816
Total carrying amount	49,323	49,323
Loss allowance	-	-

(iii) Cash and cash equivalents

Cash and cash equivalents are held with banks and other financial institutions counterparties with 1 ratings.

Impairment has been measured at 12-month expected loss basis and reflects the short maturities of the exposures. The company considered that cash resources have low credit risk as they are held with regulated institutions. No material impairment allowances were recognised on initial adoption of IFRS 9 and there was no change during the period.

Impairment

For a discussion of inputs, assumptions and techniques used for estimating impairments, see accounting policy at note 6.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and third party policies including forward-looking information.

24. Financial risk management (continued)

(a) Credit risk (continued)

(iii) Cash and cash equivalents (continued)

Significant increase in credit risk (continued)

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The company uses two criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD; and
- qualitative indicators.

Credit risk is deemed to increase significantly where the credit rating of a security decreased from grade 1 to grade 3 and the risk grade of loans have moved from grade 1 (standards) to grade 3 (sub-standard).

As a backstop, the company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently.

When the contractual terms of an asset have been modified (see ‘Modified financial assets’ below), evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to date payment performance against the modified contractual terms.

24. Financial risk management (continued)

(a) Credit risk (continued)

The Company monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default.
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable.
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default:

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the borrower is more than 90 days past due on any material credit obligation to the company.

In assessing whether a borrower is in default, the company considers indicators that are:

- qualitative: e.g. indicators of financial distress;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The definition of default largely aligns with that applied by the company for regulatory capital purposes.

The company incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

24. Financial risk management (continued)

(a) Credit risk (continued)

Incorporation of forward-looking information (continued)

For 2023, forward-looking information was incorporated in the ECL computation by use of a management overlay. Based on the economic factors a proxy of 1.06 (2022: 1.00) times ECL was determined to be appropriate.

The economic scenarios used as at December 31, 2023 assumed no significant changes in key indicators within the next year.

Measurement of ECL

The key inputs into the measurement of ECL are of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. They are calculated on a discounted cash flow basis using the effective interest rate.

LGD is the magnitude of the likely loss if there is a default. The company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. They are based on published reports of the major rating agencies Moody's and Standard and Poor's.

EAD represents the expected exposure in the event of a default. The company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risks, even if, for credit note management purposes, the Company considers a longer period.

24. Financial risk management (continued)

(a) Credit risk (continued)

Loss allowance

The loss allowance recognised is analysed as follow:

	2023 Stage 1 $'000
Financial investments – not underlying items	
Debt securities at amortized cost	
Balance as at 1 January	6,419
Net remeasurement of loss allowance	(4,662)
Balance as at 31 December	**1,757**
Debt securities at FVOCI	
Balance as at 1 January	248
Net remeasurement of loss allowance	(243)
Balance as at 31 December	**5**
Cash and cash equivalents	
Balance as at 1 January	839
Net remeasurement of loss allowance	160
Balance as at 31 December	**999**

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit exposure

Credit risk exposure to the Company at December 31, 2023 and December 31, 2022, without taking account of any credit enhancements, is as follows:

Investment securities

	2023 $'000	2022 $'000
Corporate bonds	226,003	174,153
Government of Jamaica Securities	129,188	129,533
Other Global bonds	50,398	49,323
	405,589	353,009
Less: Allowance for expected credit losses	(1,576)	-
	404,013	353,009

24. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations from its financial and insurance liabilities. The company is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk may arise from a number of potential areas, such as a duration mismatch between assets and liabilities and unexpectedly high levels of claims. The nature of the company's exposures to liquidity risk and its objectives, policies and processes for managing liquidity risk have not changed significantly from the prior year.

Management of liquidity risk

The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Consequently, the company invests in marketable securities that can be readily realised as its obligations under insurance contracts fall due and in the event of reasonably foreseeable abnormal circumstances. The company also manages this risk by keeping a substantial portion of its financial assets in liquid form, in accordance with regulatory guidelines. The company is subject to an early warning ratio imposed by the Financial Services Commission (FSC). The key measure used for assessing liquidity risk is the liquid assets (as defined) to total liabilities ratio. The liquid assets to total liabilities ratio at the end of the year is 62% (2022: 108%). The FSC standard liquid assets to total liabilities ratio is 95%.

An analysis of the contractual maturities of the company's financial and insurance contract liabilities indicates that financial liabilities are less than one year and the projection of insurance contract liabilities are not plausible.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and equity prices will affect the value of the company's assets, the amount of its liabilities and/or the company's income. Market risk arises in the company due to fluctuations in the value of liabilities and the value of investments held. The company is exposed to market risk on all of its financial assets.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the company's exposures to market risks and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

24. Financial risk management (continued)

(c) Market risk (continued)

Management of market risk

The Investment Committee manages market risks in accordance with its asset/liability management framework. The Committee reports regularly to the Board of Directors on its activities. For each of the major components of market risk the company has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of major risk and the exposure of the company at the reporting date to each major risk are addressed below.

(i) Interest rate risk

Interest rate risk arises primarily from the company's investments. The company manages its interest rate risk by matching, where possible, the duration and profile of assets and liabilities to minimise the impact of mismatches between the value of assets and liabilities from interest rate movements.

Interest bearing financial assets are primarily represented by long term investments, which have been contracted at fixed interest rates for the duration of the term.

The nature of the company's exposures to interest rate risk and its objectives, policies and processes for managing interest rate risk have not changed significantly from the prior period.

At the reporting date the interest profile of the company's interest-bearing financial instruments was:

	Carrying amount	
	2023	2022
	$'000	$'000
Fixed rate instruments:		
Financial assets	852,671	644,814

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect fair value changes in profit before tax.

An increase or decrease in interest rates at the reporting date would have decreased/(increased) equity as outlined below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

24. Financial risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity	Effect on Equity Increase	Effect on Equity Decrease	Effect on Equity Increase $'000	Effect on Equity Decrease $'000
December 31, 2023				
Fixed rate instruments – J$	0.25 %	0.25%	1,742	(1742)
– US$	0.25 %	0.25%	402	(402)
December 31, 2022				
Fixed rate instruments – J$	1%	0.5%	4,390	(2,195)
– US$	1%	0.5%	2,036	(1,018)

(ii) Currency risk

Currency risk is the risk that the market value of or cash flows from financial instruments will vary because of exchange rate fluctuations.

The company incurs foreign currency risk primarily on insurance and reinsurance contracts and investments that are denominated in a currency other than the Jamaica dollar. Such exposure comprises the monetary assets and liabilities of the company that are not denominated in that currency. The principal foreign currency risk of the company is denominated in United States dollars (US$). The company has foreign currency exposure in the underwriting of policies and the settlement of claims and reinsurance denominated in foreign currency. The company have financial assets in currency similar to those we have to settle. The company manages its exposure to an acceptable level by purchasing the or selling assets.

At the reporting date, the company's exposure to foreign currency risk is as follows:

	2023 US$'000	2022 US$'000
Foreign currency assets:		
Investments	1,018	1,388
Premium receivable	927	640
Cash and cash equivalents	218	110
Interest receivable	168	22
	2,330	2,160
Foreign currency liabilities:		
Other payables	1,157	347
Net foreign currency assets	1,173	1,813

24. Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

Exchange rates for the US dollar, in terms of Jamaica dollars were as follows:

At December 31, 2023: $153.58
At December 31, 2022: $149.63

A 4% (2022: 4%) strengthening of the Jamaica dollar against the United States dollar at December 31, would have decreased the profit before tax for the year by $7,202,000 (2022: $10,875,000).

A 1% (2022: 1%) weakening of the Jamaica dollar against the United States dollar at December 31, would have increased the profit before tax for the year by $1,801,000 (2022: $2,719,000).

(iii) Equity price risk

Equity price risk arises from equity securities held by the company as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the company's investment strategy is to maximise investment returns.

A 6% (2022: 6%) increase in the bid price at the reporting date would cause an increase in equity of $7,503,924 (2022: $6,738,518).

A 3% (2022: 6%) decrease in the bid price at the reporting date would cause a decrease in equity of $3,751,962 (2022: $6,738,518).

25. Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. The Audit Committee monitors each department to ensure compliance with the company's internal control procedures.

26. Capital risk management

Capital risk is the risk that the company fails to comply with mandated regulatory requirements, resulting in a breach of its minimum capital test and the possible suspension or loss of its insurance license (see note 2). The company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statements of financial position, are:

(i) To comply with the capital requirements set by the regulators of the insurance industry;

(ii) To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits to other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business.

Capital adequacy is managed by the company's management. It is calculated by management, certified by the Appointed Actuary and reviewed by executive management, the audit committee and the board of directors. In addition, the company seeks to maintain internal capital adequacy ratios at levels higher than the regulatory requirements. To assist in evaluating the current business and strategic opportunities, the company currently uses the Minimum Capital Test (MCT) as stipulated by the insurance regulations.

The regulator requires general insurance companies to achieve a Minimum Capital Test Ratio of 150% (2022: 175%). At December 31, 2023, the company's capital ratio was 316% (2022: 271%).

27. Fair value of financial instruments

(a) Definition and measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where a quoted market price is not available, fair value is computed using alternative techniques, making use of available input data; the company uses observable data as far as possible.

Fair values are categorized into different levels in a three-level fair value hierarchy, based on the degree to which the inputs used in the valuation techniques are observable. The different levels in the hierarchy have been defined as follows:

(b) Techniques for measuring fair value of financial instruments

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes equity securities and debt instruments listed on exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This includes financial assets with fair values based on broker quotes and investments in funds with fair values obtained via fund managers.

27. Fair value of financial instruments (continued)

(b) Techniques for measuring fair value of financial instruments (continued)

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

Type of financial instrument	Method of estimation of fair value
Government of Jamaica securities and corporate bonds	Discounting future cash flows of these securities at the estimated reporting date using yields published by a broker.
US$ Global bonds	Prices of bonds at reporting date as quoted by broker/dealer, where available.
Cash equivalents, resale agreements, insurance and other receivables, insurance and other payables, reinsurance assets, insurance contract provisions and due from related party.	Considered to approximate their carrying values.
Units in unit trusts	Prices quoted by unit trust managers.
Quoted equities and unitised funds	Bid prices published by the Jamaica Stock Exchange and fund managers respectively.

There were no transfers between levels during the year.

(c) Accounting classification and fair values

The tables below analyses financial instruments carried at fair value (which are classified as fair value through profit or loss or OCI) and those not carried at fair value (which are classified as amortised cost) but for which fair value has been disclosed.

27. Fair value of financial instruments (continued)

(c) Accounting classification and fair values (continued)

The fair value of certain short-term financial instruments such as cash and cash equivalents, securities under resale agreement, premiums and other receivables was determined to approximate their carrying value and are not disclosed in the tables below.

	2023			
	Carrying amount	Fair value		
		Level 1	Level 2	Total
	$'000	$'000	$'000	$'000
Fair value through profit or loss:				
Units in unit trusts	898	898	-	898
Quoted equities	49,219	49,219	-	49,219
Preference shares	74,948	74,948	-	74,948
Fair value through OCI:				
Global Bonds – TT	50,398	-	50,398	50,398
Amortised cost:				
Securities purchased under resale agreements	-	-	-	-
Corporate bonds	224,798	-	226,475	226,475
GOJ Bonds	128,817	-	132,848	132,848
	529,078	125,065	409,721	534,786
Short-term investments	101,442	-	101,397	101,397

	2022			
	Carrying amount	Fair value		
		Level 1	Level 2	Total
	$'000	$'000	$'000	$'000
Fair value through profit or loss:				
Units in unit trusts	984	984	-	984
Preference shares	60,319	60,319	-	60,319
Quoted equities	51,991	51,991	-	51,991
Fair value through OCI:				
Global Bonds – TT	49,323	-	49,323	49,323
Amortised cost:				
Securities purchased under resale agreements	90,000	90,000	-	90,000
Corporate bonds	174,153	-	171,709	171,709
GOJ Bonds	129,533	-	136,270	136,270
	556,303	203,394	357,302	560,596
Short-term investments	186,804	-	186,804	186,804

28. IFRS 17 Restatement Note

The company has adopted IFRS 17 Insurance Contracts effective January 1, 2023. The following tables summarize the transition impact on the company's financial statements:

	2021		
	December 31, 2021	Effect of IFRS 17	Restated 1 January 2022
	$'000	$'000	$'000
Assets			
Property, plant and equipment	20,485	-	20,485
Intangible Assets	3,190	-	3,190
Deferred taxation	7,992	-	7,992
Investments	634,850	-	634,850
Reinsurance Assets	408,323	(408,323)	-
Reinsurance contract assets	-	158,444	158,444
Deferred acquisition costs	46,849	(46,849)	-
Due From Related Party	2,984	-	2,984
Receivables	224,334	(213,831)	10,503
Taxation recoverable	32,966	-	32,966
Short term investment	80,525	-	80,525
Securities purchased under resale agreements	15,275	-	15,275
Cash and cash equivalents	69,637	-	69,637
	1,547,410	(510,559)	1,036,851
Liabilities and Shareholders' Equity			
Liabilities			
Other payables	224,917	(199,146)	25,771
Deferred commission income	55,302	(55,302)	-
Insurance contract provision	647,546	(647,546)	-
Insurance contract liabilities	-	364,140	364,140
	927,765	(537,854)	389,911
Shareholders Equity			
Share Capital	465,540	-	465,540
Capital Reserves	139,340	-	139,340
Investment revaluation reserve	3,381	-	3,381
Retained Earnings	11,384	27,295	38,679
	619,645	27,295	646,940
Total Liabilities and Shareholders' Equity	1,547,410	(510,559)	1,036,851

IRONROCK INSURANCE COMPANY LIMITED

Notes to the Financial Statements (Continued)
Year ended December 31, 2023

28. IFRS 17 Restatement Note (continued)

	2022		
	December 31, 2022 $'000	Effect of IFRS 17 $'000	Restated December 31, 2022 $'000
Assets			
Property, plant and equipment	18,717	-	18,717
Intangible assets	2,548	-	2,548
Deferred taxation	6,318	-	6,318
Investments	466,303	-	466,303
Reinsurance assets	613,207	(613,207)	-
Reinsurance contract assets	-	273,902	273,902
Deferred acquisition costs	54,265	(54,265)	-
Due from related party	2,984	-	2,984
Receivables	263,602	(249,648)	13,954
Taxation recoverable	39,903	-	39,903
Short term investment	186,804	-	186,804
Securities purchased under resale agreements	90,000	-	90,000
Cash and cash equivalents	142,404	-	142,404
	1,887,055	(643,218)	1,243,837
Liabilities and Shareholders' Equity			
Liabilities			
Other payables	305,017	(269,774)	35,243
Deferred commission income	69,383	(69,383)	-
Insurance contract provision	867,669	(867,669)	-
Insurance contract liabilities	-	530,834	530,834
	1,242,069	(675,992)	566,077
Shareholders Equity			
Share capital	465,540	-	465,540
Capital reserves	139,340	-	139,340
Investment revaluation reserve	572	-	572
Retained earnings	39,534	32,774	72,308
	644,986	32,774	677,760
Total Liabilities and Shareholders' Equity	1,887,055	(643,218)	1,243,837

29. Segmental information

Segment information below represents segment revenue and expenses based on the company's lines of business. Segment information for insurance liabilities is presented in note 23(c).

	2023				
	Liability	Property	Motor	Other	Total
	$'000	$'000	$'000	$'000	$'000
Revenue	790,441	94,508	289,119	221,293	1,395,361
Insurance service expense	72,709	181,901	218,305	82,679	555,594

	2022				
	Liability	Property	Motor	Other	Total
	$'000	$'000	$'000	$'000	$'000
Revenue	86,497	493,313	239,075	173,010	991,895
Insurance service expense	48,321	135,061	256,705	37,777	477,864