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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Assuria Life (GY) Inc

Opinion

We have audited the financial statements of Assuria Life (GY) Inc, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 1 to 33.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Assuria Life (GY) Inc, as at December 31, 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Material Uncertainty Related to Going Concern

We draw attention to Note 34 in the financial statements, which explained that the Company has been making operating losses since the commencement of its operations. This has resulted in the company having to be financed by related companies. In addition, shareholders have invested additional equity to maintain the company's solvency requirement as per the Insurance Act 2016.

These conditions, cast doubts about the Company's ability to continue as a going concern for the foreseeable future unless the shareholders and related companies continue to provide financial support.

Our opinion, is not modified in respect of this matter.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the requirements of the Companies Act 1991 and those of the Insurance Act 2016 and its Regulations.

HLB, R. Seebarran & Co

HLB, R. Seebarran & Co

Chartered Accountants

73 Canje Street & Stone Avenue,

Section 'K', Campbellville,

Georgetown

March 18, 2019



	2018 G\$	2017 G\$
ASSETS		
Non current assets		
Financial investments	371,607,608	235,734,804
Office furniture, furniture & equipment	246,643	511,888
Investment property	130,000,000	85,500,000
Intangible assets	8,242,875	-
	<u>510,097,126</u>	<u>321,746,692</u>
Current assets		
Related parties	2,599,277	15,848
Trade and other receivables	19,405,173	21,753,482
Cash and cash equivalents	258,302,950	127,875,989
	<u>280,307,400</u>	<u>149,645,319</u>
TOTAL ASSETS	<u>790,404,526</u>	<u>471,392,011</u>
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	288,750,000	188,750,000
Revaluation reserve	28,912,000	15,120,000
Investment reserve	26,422,618	-
Accumulated (deficit)	(180,961,365)	(183,981,981)
	<u>163,123,253</u>	<u>19,888,019</u>
Non -current liabilities		
Actuarial liabilities	244,942,772	170,500,364
Administration of pension fund	146,338,237	96,917,126
Related parties	212,093,448	166,957,951
	<u>603,374,457</u>	<u>434,375,441</u>
Current liabilities		
Trade and other payables	12,515,599	13,628,551
Claims payable	8,703,534	3,500,000
Tax payable	2,687,683	-
	<u>23,906,816</u>	<u>17,128,551</u>
TOTAL EQUITY AND LIABILITIES	<u>790,404,526</u>	<u>471,392,011</u>

These financial statements were approved for issue on March 18th, 2018

On behalf of the Board:

Director

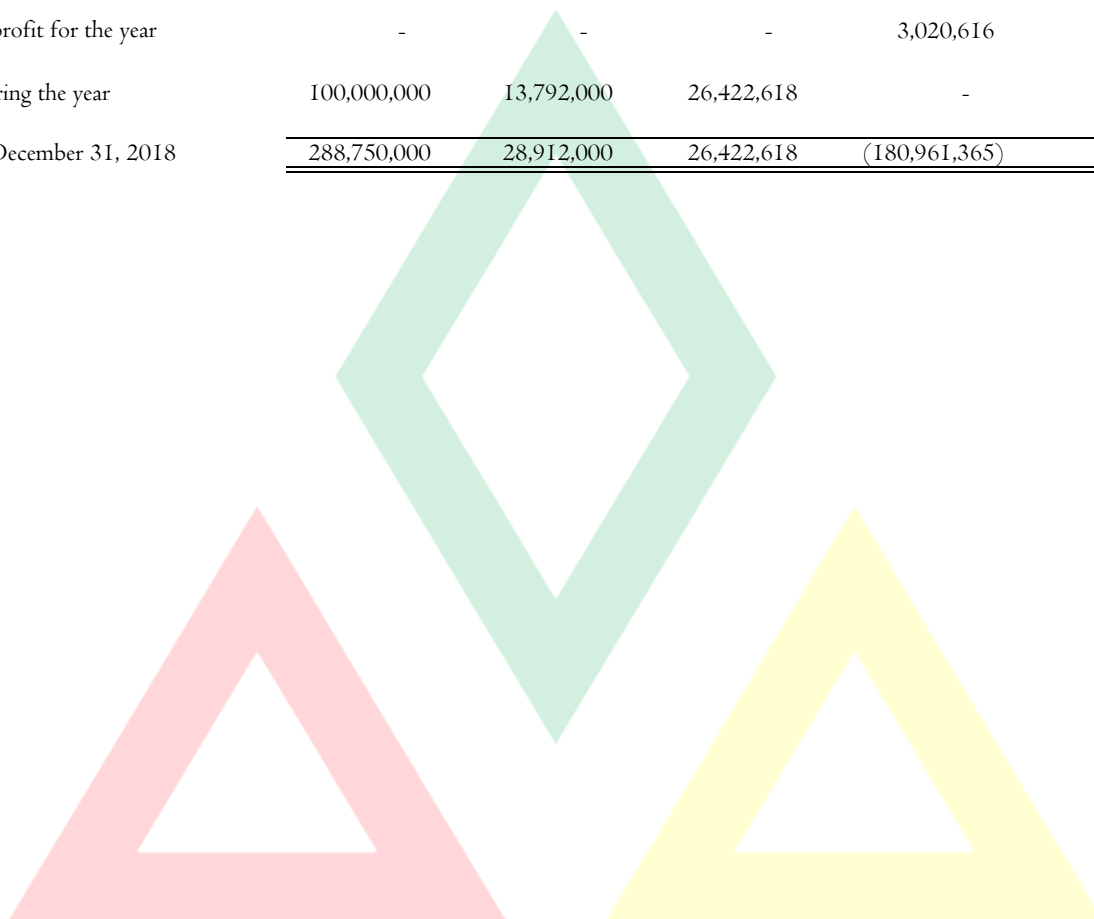
Director



	2018 G\$	2017 G\$
Income		
Gross premium	145,759,113	107,548,790
Re-insurance premium	(8,118,005)	(5,568,493)
Premium tax	(438,372)	(300,699)
Net premium	<u>137,202,736</u>	<u>101,679,598</u>
Investment income	10,655,327	4,241,568
Other income	13,137,619	11,584,410
Total income	<u>160,995,682</u>	<u>117,505,576</u>
Expenditure		
Commissions	26,561,649	24,875,595
Management expenses	31,207,680	27,074,083
Claims expense	11,496,030	7,000,000
Surrenders/maturities	10,996,987	1,526,575
	<u>80,262,346</u>	<u>60,476,253</u>
Net before actuarial liabilities	<u>80,733,336</u>	<u>57,029,323</u>
Provision for actuarial liabilities	(75,025,037)	(68,635,075)
Net after actuarial liabilities	<u>5,708,299</u>	<u>(11,605,752)</u>
Taxation	(2,687,683)	(55,283)
Net profit/(loss) after taxation	<u>3,020,616</u>	<u>(11,661,035)</u>
STATEMENT OF OTHER COMPREHENSIVE INCOME		
Revaluation of investment property	13,792,000	-
Fair value adjustments for Investments	26,422,618	-
Total other comprehensive income	<u>40,214,618</u>	<u>-</u>
Total comprehensive income/(loss) for the year	<u>43,235,234</u>	<u>(11,661,035)</u>
Basic earnings/ (loss) per share	<u>28</u>	<u>(120)</u>



	Share capital G\$	Revaluation reserve G\$	Investment reserve G\$	Accumulated (deficit) G\$	Total G\$
Balance at December 31, 2016	173,750,000	15,120,000	-	(172,320,946)	16,549,054
Operating (loss) for the year	-	-	-	(11,661,035)	(11,661,035)
Increase in share capital	15,000,000	-	-	-	15,000,000
Balance at December 31, 2017	188,750,000	15,120,000	-	(183,981,981)	19,888,019
Operating profit for the year	-	-	-	3,020,616	3,020,616
Increase during the year	100,000,000	13,792,000	26,422,618	-	140,214,618
Balance at December 31, 2018	288,750,000	28,912,000	26,422,618	(180,961,365)	163,123,253





	2018 G\$	2017 G\$
<u>Operating activities</u>		
Operating profit/(loss) for the year	5,708,299	(11,605,752)
Adjustments for:		
Increase in actuarial liabilities	74,442,408	66,915,586
Increase in pension funds	49,421,111	41,087,673
Depreciation	470,874	740,665
Operating profit before working capital changes	130,042,692	97,138,172
<u>Working capital changes</u>		
Decrease/(increase) in trade and other receivables	2,348,309	(6,850,392)
(Decrease) in trade and other payables	(1,112,952)	(3,347,627)
Increase in claims payable	5,203,534	2,876,041
	136,481,583	89,816,194
Taxes paid	-	(55,283)
Net cash flow generated from operations	136,481,583	89,760,911
<u>Investing activities</u>		
(Increase) in financial investments	(109,450,186)	(88,268,235)
Acquisition of fixed assets	(205,629)	(23,000)
(Increase) in intangible assets	(8,242,875)	-
(Increase) in investment property	(30,708,000)	-
Net cash used in investing activities	(148,606,690)	(88,291,235)
<u>Financing activities</u>		
Share capital issued	100,000,000	15,000,000
Increase in due to related parties	42,552,068	45,403,186
Net cash provided by financing activities	142,552,068	60,403,186
Net increase in cash and cash equivalents	130,426,961	61,872,862
Cash and cash equivalents at beginning of year	127,875,989	66,003,127
Cash and cash equivalents at end of year	258,302,950	127,875,989
Cash and cash equivalents as shown in the statement of financial position		
Cash and cash equivalents	258,302,950	127,875,989
	258,302,950	127,875,989