

CARIBBEAN ASSURANCE BROKERS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2025

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Members of
Caribbean Assurance Brokers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caribbean Assurance Brokers Limited set out on pages 5 to 39, which comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including international Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Caribbean Assurance Brokers Limited

Other Information (cont'd)

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

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Caribbean Assurance Brokers Limited

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Caribbean Assurance Brokers Limited

Report on additional matters as required by the Jamaican Companies Act

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

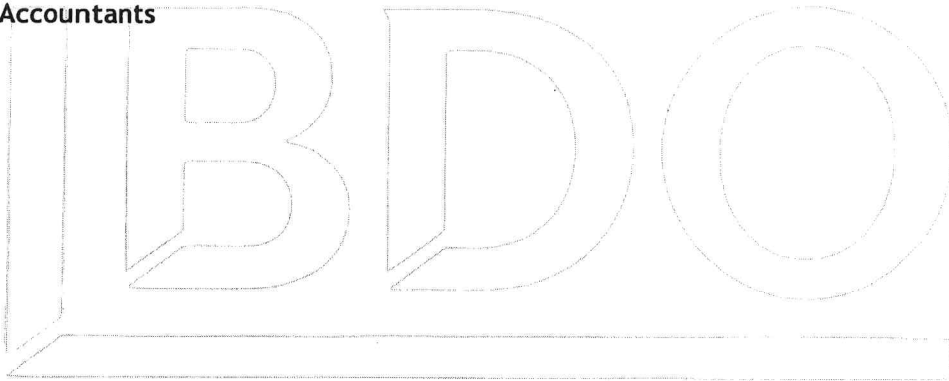
In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

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



Chartered Accountants

1 May 2026



CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
REVENUE	6	506,556,550	488,998,113
Other operating income	7	58,724,197	49,353,717
Impairment reversal		<u>17,066,275</u>	<u>76,702</u>
		<u>582,347,022</u>	<u>538,428,532</u>
Administrative and other expenses		(404,139,546)	(416,552,771)
Selling expenses		<u>(208,193,099)</u>	<u>(214,702,028)</u>
	8	<u>(612,332,645)</u>	<u>(631,254,799)</u>
OPERATING LOSS		(29,985,623)	(92,826,267)
Finance costs	9	<u>(10,514,450)</u>	<u>(8,116,756)</u>
LOSS BEFORE TAXATION		(40,500,073)	(100,943,023)
Taxation	11	<u>(1,274,235)</u>	<u>2,452,761</u>
NET LOSS FOR THE YEAR, BEING TOTAL COMPREHENSIVE LOSS		<u>(41,774,308)</u>	<u>(98,490,262)</u>
LOSS PER STOCK UNIT	12	<u>(\$0.16)</u>	<u>(\$0.38)</u>


CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	<u>Note</u>	<u>2025</u> ₤	<u>2024</u> ₤
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	13	231,451,871	232,172,574
Intangible assets	14	61,267,625	20,596,510
Deferred tax asset	15	14,331,402	15,605,637
Right-of-use assets	16(a)	44,358,375	57,090,404
Investments	17	<u>6,852,473</u>	<u>66,880,989</u>
		<u>358,261,746</u>	<u>392,346,114</u>
CURRENT ASSETS:			
Receivables	18	390,631,454	501,574,438
Taxation recoverable		2,103,216	-
Cash and bank balances	19	<u>182,300,222</u>	<u>59,979,067</u>
		<u>575,034,892</u>	<u>561,553,505</u>
		<u>933,296,638</u>	<u>953,899,619</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Share capital	20	137,589,247	137,589,247
Capital reserve	21	48,424,370	48,424,370
Retained earnings		<u>196,297,155</u>	<u>258,071,338</u>
		<u>382,310,772</u>	<u>444,084,955</u>
NON-CURRENT LIABILITY:			
Lease liabilities	16(b)	<u>36,134,827</u>	<u>46,376,404</u>
CURRENT LIABILITIES:			
Bank overdraft	19	-	5,292,674
Payables	23	450,654,349	446,988,069
Taxation payable		-	461,020
Short term loans	22	52,337,458	-
Current portion of lease liabilities	16(b)	<u>11,859,232</u>	<u>10,696,497</u>
		<u>514,851,039</u>	<u>463,438,260</u>
		<u>933,296,638</u>	<u>953,899,619</u>

Approved for issue by the Board of Directors on 1 May 2026 and signed on its behalf by:


Raymond Walker - Chairman


Barrington Whyte - Director

CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

	<u>Note</u>	<u>Share Capital</u> ₡	<u>Capital Reserve</u> ₡	<u>Retained Earnings</u> ₡	<u>Total</u> ₡
BALANCE AT 1 JANUARY 2024		137,589,247	48,424,370	393,600,350	579,613,967
TRANSACTION WITH OWNERS					
Dividend paid	25	-	-	(37,038,750)	(37,038,750)
TOTAL COMPREHENSIVE INCOME					
Net loss		<u>-</u>	<u>-</u>	<u>(98,490,262)</u>	<u>(98,490,262)</u>
BALANCE AT 31 DECEMBER 2024		137,589,247	48,424,370	258,071,338	444,084,955
TRANSACTION WITH OWNERS					
Dividend paid	25	-	-	(19,999,875)	(19,999,875)
TOTAL COMPREHENSIVE INCOME					
Net loss		<u>-</u>	<u>-</u>	<u>(41,774,308)</u>	<u>(41,774,308)</u>
BALANCE AT 31 DECEMBER 2025		<u>137,589,247</u>	<u>48,424,370</u>	<u>196,297,155</u>	<u>382,310,772</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss		(41,774,308)	(98,490,262)
Items not affecting cash resources:			
Exchange gain on foreign balances		(1,290,459)	(2,557,788)
Amortisation of right-of-use assets	16	13,358,446	10,160,830
Depreciation	13	9,494,058	11,487,857
Amortisation		11,945,959	9,591,702
Interest income	7	(5,449,092)	(8,294,963)
Interest expense	9	3,951,611	2,754,165
Interest expense on lease liabilities	16(b)	6,562,839	5,362,591
Loss on disposal of property, plant and equipment		-	2,567,857
Adjustments to property, plant and equipment		(537,600)	(124,307)
Adjustments of right-of-use assets	16	(626,417)	-
Taxation	11(a)	<u>1,274,235</u>	<u>(2,452,761)</u>
		(3,090,728)	(69,995,079)
Changes in operating assets and liabilities:			
Receivables		110,942,984	(104,069,833)
Payables		3,405,790	44,776,432
Taxation recoverable		<u>(2,564,236)</u>	<u>3,985,585</u>
Cash provided by/(used in) operating activities		<u>108,693,810</u>	<u>(125,302,895)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		5,449,092	8,294,963
Purchase of property, plant and equipment	13	(8,235,755)	(9,297,600)
Purchase of intangible assets	14	(52,617,074)	(1,389,240)
Net movement in investments	19(c)	<u>60,028,516</u>	<u>(1,346,686)</u>
Cash provided by/(used in) investing activities		<u>4,624,779</u>	<u>(3,738,563)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid on lease liabilities		(6,562,839)	(5,362,591)
Interest paid		(3,691,121)	(2,754,165)
Principal paid on lease liabilities		(9,078,842)	(9,753,333)
Loan repayments	19(d)	(2,921,821)	(57,269,122)
Loan proceeds	19(d)	55,259,279	-
Dividend paid		<u>(19,999,875)</u>	<u>(37,038,750)</u>
Cash provided by/(used in) financing activities		<u>13,004,781</u>	<u>(112,177,961)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		126,323,370	(241,219,419)
Effects of exchange rate translation on cash and cash equivalents		<u>1,290,459</u>	<u>3,467,245</u>
Cash and cash equivalents at beginning of year		127,613,829	(237,752,174)
		<u>54,686,393</u>	<u>292,438,567</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>182,300,222</u>	<u>54,686,393</u>

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Caribbean Assurance Brokers Limited is a limited liability company incorporated and domiciled in Jamaica and is regulated by the Financial Services Commission of Jamaica. The registered office of the company is 94d Old Hope Road, Kingston 6, St. Andrew, Jamaica.
- (b) The principal activity of the company is to search the insurance market place for a company in which to place the insured's business for the lowest cost to the insured.
- (c) The company's shares were listed on the Junior Market of Jamaica Stock Exchange on 9 March 2020.

2. REPORTING CURRENCY:

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

3. MATERIAL ACCOUNTING POLICIES:

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

(a) Basis of preparation

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

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

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd)****New, revised and amended standards and interpretations that became effective during the year (cont'd)**

The company has adopted the following new and amended standards and interpretations as of 1 January 2025:

Amendments to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities (effective for accounting periods beginning on or after 1 January 2025).

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

Amendments to IAS 21, 'Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability, (effective for accounting periods beginning on or after 1 January 2025).

The amendments specify when a currency is exchangeable into another currency and when it is not as well as how an entity determines the exchange rate to apply when a currency is not exchangeable. A currency is exchangeable when there is an ability to obtain the other currency and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments also require the disclosure of additional information that would enable users of the financial statements of an entity to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The adoption of these amendments is not expected to have a significant impact on the company.

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

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd)**

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

IFRS 18, Presentation and Disclosure in Financial Statements (effective for accounting periods beginning on or after 1 January 2027). The standard sets out significant new requirements for how financial statements are presented, with particular focus on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management defined performance measures. The standard will replace IAS 1, Presentation of Financial Statements and aims to improve comparability and transparency of the entity's performance reporting. The company is still assessing the impact the adoption of this new standard will have on its financial statements.

Amendments to IAS 7, 'Statement of Cash Flows', (effective for accounting periods beginning on or after 1 January 2027). The amendments require all companies to use the operating profit subtotal as defined in IFRS 18 as the starting point for the indirect method of reporting cash flows from operating activities. Additionally, the presentation alternatives for cash flows related to interest and dividends paid and received will be removed.

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

(b) Foreign currency translation

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

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

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

(c) Property, plant and equipment

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

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

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

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

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

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

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

(d) Impairment of non-current assets

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

(e) Financial instruments

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D)****(e) Financial instruments (cont'd)****Financial assets****(i) Recognition and derecognition**

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

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

(ii) Classification

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

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

(iii) Measurement category**Amortised cost**

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(e) Financial instruments (cont'd)****Financial assets (cont'd)****(iii) Measurement category (cont'd)****Amortised cost (cont'd)**

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

(iv) Impairment

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

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

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

Financial liabilities

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(f) Borrowings**

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

(g) Current and deferred income taxes

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

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

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

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

(h) Revenue recognition

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

Interest income

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****3. MATERIAL ACCOUNTING POLICIES (CONT'D):****(i) Leases**

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

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

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

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

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

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

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

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(i) Leases (cont'd)

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

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

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

Nature of leasing activities (in the capacity as lessee)

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

As lessor

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D):

(j) **Dividend distribution**

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

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

(k) **Share capital**

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

(l) **Intangible assets**

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

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

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

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

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

(i) **Income taxes**

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

CARIBBEAN ASSURANCE BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2025****4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):****(b) Key sources of estimation uncertainty (cont'd)****(ii) Depreciable assets**

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

(iii) Measurement of the expected credit loss allowance

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

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

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

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

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

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

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

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

5. FINANCIAL RISK MANAGEMENT:

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

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

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

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

(a) Principal financial instruments

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

- Investments
- Receivables
- Cash and cash equivalents
- Payables
- Short term loans
- Lease liability

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category

Financial assets

	<u>Amortised cost</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Investments	6,852,473	66,880,989
Cash and bank balances	182,300,222	59,979,067
Receivables	<u>300,365,941</u>	<u>488,485,366</u>
Total financial assets	<u>489,518,636</u>	<u>615,345,422</u>

Financial liabilities

	<u>Amortised cost</u>	
	<u>2025</u>	<u>2024</u>
	\$	\$
Payables	424,422,069	353,293,501
Lease liabilities	47,994,059	57,072,901
Bank overdraft	-	5,292,674
Short term loans	<u>52,337,458</u>	<u>-</u>
Total financial liabilities	<u>524,753,586</u>	<u>415,659,076</u>

(c) Financial risk factors

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

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

(i) Market risk

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk

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

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

Concentration of currency risk

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

	<u>2025</u>	<u>2024</u>
	\$	\$
Investments	5,849,825	65,960,489
Receivables	131,060,251	179,229,300
Cash and bank balances	105,007,222	29,107,839
Leases	(22,070,207)	(28,462,061)
Payables	<u>(173,758,602)</u>	<u>(207,245,602)</u>
	<u>46,088,489</u>	<u>38,589,956</u>

Foreign currency sensitivity

The following table indicates the sensitivity of loss before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated investments, cash and bank, accounts receivable, accounts payable and loan balances, and adjusts their translation at the year-end for 1.5% (2024 - 4%) depreciation and a 1% (2024 - 1%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency Rate <u>2025</u>	Effect on loss before tax 31 December <u>2025</u> \$	% Change in Currency Rate <u>2024</u>	Effect on loss before tax 31 December <u>2024</u> \$
Currency:				
USD	-1.5	(691,327)	-4	(1,543,598)
USD	<u>+1</u>	<u>460,885</u>	<u>+1</u>	<u>385,900</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Price risk

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

Cash flow and fair value interest rate risk

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

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

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

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

Interest rate sensitivity

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

A 0.25% increase/0.25% decrease (2024 - 0.25% increase/0.50% decrease) in interest rates on Jamaican dollar borrowings would result in \$130,844/(\$130,844) decrease/increase (2024 - \$nil decrease/increase) in loss before tax for the company.

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Interest rate sensitivity (cont'd)

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

(ii) Credit risk

Trade receivables

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

Cash and bank balances

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

Maximum exposure to credit risk

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

The aging of trade receivables is:

Receivables due from policyholders:

	<u>2025</u>	<u>2024</u>
	\$	\$
0 - 30 days	23,596,430	12,913,415
31 - 60 days	82,593,311	74,059,065
61 - 90 days	16,309,414	7,223,071
91 days and over	<u>163,420,116</u>	<u>219,151,363</u>
	<u>285,919,271</u>	<u>313,346,914</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Maximum exposure to credit risk (cont'd)

Commission due from insurance companies:

	<u>2025</u> ₤	<u>2024</u> ₤
0 - 30 days	3,693,919	2,861,137
31 - 60 days	1,489,204	10,239,620
61 - 90 days	103,167	4,065,792
91 days and over	<u>142,620</u>	<u>57,494,715</u>
	<u>5,428,910</u>	<u>74,661,264</u>
	<u>291,348,181</u>	<u>388,008,178</u>

<u>Aging</u>	<u>Commission Receivable</u> 2025 ₤	<u>Default Rate</u> 2025 %	<u>Lifetime ECL Allowance</u> 2025 ₤
0 - 30 days	3,693,919	2.7	99,736
31 - 60 days	1,489,204	5.4	80,417
61 - 90 days	103,167	15.9	16,403
91 days and over	<u>142,620</u>	27.5	<u>39,220</u>
	<u>5,428,910</u>		<u>235,776</u>

<u>Aging</u>	<u>Commission Receivable</u> 2024 ₤	<u>Default Rate</u> 2024 %	<u>Lifetime ECL Allowance</u> 2024 ₤
0 - 30 days	2,861,137	2.7	77,251
31 - 60 days	10,239,620	5.4	554,676
61 - 90 days	4,065,792	15.86	644,809
91 days and over	<u>57,494,715</u>	27.46	<u>15,789,539</u>
	<u>74,661,264</u>		<u>17,066,275</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Maximum exposure to credit risk (cont'd)

Commission due from insurance companies:

The risk of default on payment of insurance premiums from policyholders resides with the insurance companies therefore a corresponding payable to the insurance companies for outstanding premiums (net of commission earned) (note 23) is reflected in the financial statements. Expected credit loss provision is recognised on amounts due from the insurance companies.

(iii) Liquidity risk

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

Liquidity risk management process

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities

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

	<u>Within 1 Year</u> ₤	<u>1 to 2 Years</u> ₤	<u>2 to 5 Years</u> ₤	<u>Total</u> ₤
31 December 2025				
Trade payables	424,422,069	-	-	424,422,069
Short term loans	57,637,457	-	-	57,637,457
Lease liabilities	<u>15,940,940</u>	<u>15,940,940</u>	<u>26,689,393</u>	<u>58,571,273</u>
Total financial liabilities (contractual maturity dates)	<u>498,000,466</u>	<u>15,940,940</u>	<u>26,689,393</u>	<u>540,630,799</u>
	<u>Within 1 Year</u> ₤	<u>1 to 2 Years</u> ₤	<u>2 to 5 Years</u> ₤	<u>Total</u> ₤
31 December 2024				
Trade payables	353,293,501	-	-	353,293,501
Bank overdraft	5,292,674	-	-	5,292,674
Lease liabilities	<u>15,620,844</u>	<u>31,241,688</u>	<u>31,241,688</u>	<u>78,104,220</u>
Total financial liabilities (contractual maturity dates)	<u>374,207,019</u>	<u>31,241,688</u>	<u>31,241,688</u>	<u>436,690,395</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Capital management

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

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

6. REVENUE:

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

The company has disaggregated commission earned in the following categories:

	<u>2025</u> \$	<u>2024</u> \$
Local	344,405,753	333,668,142
International	<u>162,150,797</u>	<u>155,329,971</u>
	<u>506,556,550</u>	<u>488,998,113</u>

7. OTHER OPERATING INCOME:

	<u>2025</u> \$	<u>2024</u> \$
Agency fee	35,100,701	32,004,605
Interest	5,449,092	8,294,963
Foreign exchange translation	1,290,459	5,523,189
Miscellaneous	14,302,307	248,268
Rental income	<u>2,581,638</u>	<u>3,282,692</u>
	<u>58,724,197</u>	<u>49,353,717</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. EXPENSES BY NATURE:

Total administrative, selling and other expenses:

	<u>2025</u>	<u>2024</u>
	\$	\$
Directors' remuneration	21,601,502	20,292,859
Directors' fee	7,370,643	8,164,282
Rent	530,000	480,000
Printing and stationery	2,526,280	1,786,704
Repairs and maintenance	502,948	7,749,826
Telephone, cables and postage	6,227,554	6,317,236
Registration fee	29,642,778	39,251,515
Legal and professional fees	27,258,117	47,642,568
Auditors' remuneration	4,450,000	3,353,256
Security	2,992,976	6,704,786
Electricity	4,247,369	4,375,517
Insurance	17,402,671	7,203,425
Subscriptions and donations	1,361,372	1,189,747
Bank charges	15,853,788	12,145,134
Foreign travel and entertainment	3,297,844	5,393,455
Amortisation of right-of-use asset	13,358,446	10,160,830
Staff costs (note 10)	419,393,917	405,102,933
Advertising and promotion	7,776,419	11,519,527
Depreciation	9,494,058	11,487,857
Amortisation	11,945,959	9,591,702
Other	<u>5,098,004</u>	<u>11,341,640</u>
	<u>612,332,645</u>	<u>631,254,799</u>

9. FINANCE COSTS:

	<u>2025</u>	<u>2024</u>
	\$	\$
Loan interest	3,951,611	2,754,165
Interest - lease liabilities	<u>6,562,839</u>	<u>5,362,591</u>
	<u>10,514,450</u>	<u>8,116,756</u>

10. STAFF COSTS:

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries, wages and statutory contributions	221,137,730	235,833,221
Commission	149,502,145	126,616,210
Travel and accommodation	15,777,514	16,573,834
Staff training and welfare	11,266,381	7,226,264
Group health	15,289,048	12,354,678
Pension	<u>6,421,099</u>	<u>6,498,726</u>
	<u>419,393,917</u>	<u>405,102,933</u>

The company employed (97) persons at the end of the year (2024 - 90).

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. TAXATION EXPENSE:

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

	<u>2025</u> \$	<u>2024</u> \$
Deferred tax (note 15)	<u>1,274,235</u>	<u>(2,452,761)</u>
Tax charged/(credited) in income statement	<u>1,274,235</u>	<u>(2,452,761)</u>

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

	<u>2025</u> \$	<u>2024</u> \$
Loss before taxation	<u>(40,500,073)</u>	<u>(100,943,023)</u>
Tax calculated at applicable tax rate	(13,500,024)	(33,647,674)
Adjusted for the effects of:		
Expenses not deducted for tax purposes	8,675,627	7,304,712
Net effect of other charges and allowances	<u>3,550,162</u>	<u>23,890,201</u>
Tax charged/(credited) in income statement	<u>1,274,235</u>	<u>(2,452,761)</u>

- (c) Subject to agreement with the Commissioner General, Tax Administration Jamaica, the company has tax losses of \$124,933,121 (2024: \$92,621,050) available for offset against future taxable profits. No deferred tax asset has been recognized in respect of these losses.

- (d) Remission for income tax:

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

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

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

12. EARNINGS PER STOCK UNIT:

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

	<u>2025</u>	<u>2024</u>
Net loss attributable to stockholders (\$)	(41,774,308)	(98,490,262)
Weighted average number of ordinary shares (units)	262,500,000	262,500,000
Loss per stock unit	<u>(\$0.16)</u>	<u>(\$0.38)</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT:

	<u>Land & Building</u> ₤	<u>Office Equipment</u> ₤	<u>Furnitures & Fixtures</u> ₤	<u>Motor Vehicles</u> ₤	<u>Total</u> ₤
At cost/deemed cost:					
1 January 2024	243,827,264	61,004,359	14,175,852	5,480,448	324,487,923
Additions	-	6,879,504	2,418,096	-	9,297,600
Adjustments	-	51,899	72,408	-	124,307
Disposal	-	-	-	(4,668,829)	(4,668,829)
31 December 2024	243,827,264	67,935,762	16,666,356	811,619	329,241,001
Additions	955,944	7,213,611	66,200	-	8,235,755
Adjustments	-	-	-	(5)	(5)
31 December 2025	<u>244,783,208</u>	<u>75,149,373</u>	<u>16,732,556</u>	<u>811,614</u>	<u>337,476,751</u>
Depreciation:					
1 January 2024	21,043,185	55,556,750	9,373,470	1,708,137	87,681,542
Charge for the year	5,851,503	3,706,551	829,617	1,100,186	11,487,857
Disposal	-	-	-	(2,100,972)	(2,100,972)
Adjustments	-	(54,531)	54,531	-	-
31 December 2024	26,894,688	59,208,770	10,257,618	707,351	97,068,427
Charge for the year	5,413,337	3,533,672	475,930	71,119	9,494,058
Adjustments	(450,116)	296,793	(384,282)	-	(537,605)
31 December 2025	<u>31,857,909</u>	<u>63,039,235</u>	<u>10,349,266</u>	<u>778,470</u>	<u>106,024,880</u>
Net book value:					
31 December 2025	<u>212,925,299</u>	<u>12,110,138</u>	<u>6,383,290</u>	<u>33,144</u>	<u>231,451,871</u>
31 December 2024	<u>216,932,576</u>	<u>8,726,992</u>	<u>6,408,738</u>	<u>104,268</u>	<u>232,172,574</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

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

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

14. INTANGIBLE ASSETS:

	<u>Computer Software \$'000</u>	<u>Computer Software Work in progress \$'000</u>	<u>Total \$'000</u>
At cost:			
Transferred from property, plant and Equipment	44,234,748	-	44,234,748
Addition	<u>1,389,240</u>	<u>-</u>	<u>1,389,240</u>
31 December 2024	45,623,988	-	45,623,988
Addition	<u>11,752,049</u>	<u>40,865,025</u>	<u>52,617,074</u>
31 December 2025	<u>57,376,037</u>	<u>40,865,025</u>	<u>98,241,062</u>
Amortisation:			
Transferred from property, plant and Equipment	15,435,776	-	15,435,776
Charge for the year	<u>9,591,702</u>	<u>-</u>	<u>9,591,702</u>
31 December 2024	25,027,478	-	25,027,478
Charge for the year	<u>11,945,959</u>	<u>-</u>	<u>11,945,959</u>
31 December 2025	<u>36,973,437</u>	<u>-</u>	<u>36,973,437</u>
Net book value:			
31 December 2025	<u>20,402,600</u>	<u>40,865,025</u>	<u>61,267,625</u>
31 December 2024	<u>20,596,510</u>	<u>-</u>	<u>20,596,510</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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15. DEFERRED TAX:

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

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

	<u>2025</u> \$	<u>2024</u> \$
Deferred tax asset	<u>14,331,402</u>	<u>15,605,637</u>

The movement on the deferred tax account is as follows:

Balance at start of year	15,605,637	13,152,876
(Charge)/credit for the year (note 11(a))	<u>(1,274,235)</u>	<u>2,452,761</u>
Balance at end of year	<u>14,331,402</u>	<u>15,605,637</u>

Deferred taxation is due to the following temporary differences:

	<u>2025</u> \$	<u>2024</u> \$
Decelerated capital allowances	14,331,402	9,973,766
Impairment provision	<u>-</u>	<u>5,631,871</u>
	<u>14,331,402</u>	<u>15,605,637</u>

Deferred taxation charged/(credited) to profit or loss comprises the following temporary differences:

	<u>2025</u> \$	<u>2024</u> \$
Decelerated capital allowances	(4,357,636)	(2,478,073)
Impairment provision	<u>5,631,871</u>	<u>25,312</u>
	<u>1,274,235</u>	<u>(2,452,761)</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

16. RIGHT-OF-USE ASSETS:

(a) Right-of-use assets:

	<u>Motor Vehicles and Office Rental</u>	
	<u>2025</u>	<u>2024</u>
	<u>₤</u>	<u>₤</u>
1 January	57,090,404	-
Additions	-	67,251,234
Amortisation	(13,358,446)	(10,160,830)
Adjustment to right-of-use assets	<u>626,417</u>	<u>-</u>
31 December	<u>44,358,375</u>	<u>57,090,404</u>

(b) Lease liabilities:

	<u>Motor Vehicles and Office Rental</u>	
	<u>2025</u>	<u>2024</u>
	<u>₤</u>	<u>₤</u>
1 January	57,072,901	-
Additions	-	66,826,234
Interest expense	6,562,839	5,362,591
Lease payments	(15,641,681)	(15,115,924)
31 December	47,994,059	57,072,901
Less: current portion	(11,859,232)	(10,696,497)
	<u>36,134,827</u>	<u>46,376,404</u>

17. INVESTMENTS:

	<u>2025</u>	<u>2024</u>
	<u>₤</u>	<u>₤</u>
Money Market Corporate Paper Bond (USD)	5,849,825	65,960,489
Mayberry Gold Bond (JMD)	<u>1,002,648</u>	<u>920,500</u>
	<u>6,852,473</u>	<u>66,880,989</u>

18. RECEIVABLES:

	<u>2025</u>	<u>2024</u>
	<u>₤</u>	<u>₤</u>
Trade receivables	291,348,181	388,008,178
Credit impairment losses	<u>-</u>	<u>(17,066,275)</u>
	291,348,181	370,941,903
Due from employees	6,930,783	9,475,385
Deposits	2,670,295	6,382,846
Prepayments	4,066,714	6,076,681
Other receivables	<u>85,615,481</u>	<u>108,697,623</u>
	<u>390,631,454</u>	<u>501,574,438</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

19. CASH AND CASH EQUIVALENTS:

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash and bank balances -		
Deposits and short-term investments	111,937,755	14,986,397
Foreign currency accounts	42,487,463	14,205,574
Local currency account	25,553,656	29,368,482
Cash in hand	<u>2,321,348</u>	<u>1,418,614</u>
	182,300,222	59,979,067
Bank overdraft	<u>-</u>	<u>(5,292,674)</u>
	<u>182,300,222</u>	<u>54,686,393</u>

(a) Deposits and short term instruments are interest bearing.

(b) The weighted average effective interest rates on short term deposits at the year end were as follows:

	<u>2025</u>	<u>2024</u>
	%	%
Interest bearing - JA\$ account	2.25	2.25
- US\$ account	<u>1.25</u>	<u>1.25</u>

(c) Reconciliation of movements of assets to cash flows from investing activities:

Amounts represent investments at amortised cost.

	<u>2025</u>	<u>2024</u>
	\$	\$
At 1 January	66,880,989	65,029,426
Cash - (Withdrawals)/Additions	<u>(60,028,516)</u>	<u>1,346,686</u>
	6,852,473	66,376,112
Non-cash - Foreign exchange effect	<u>-</u>	<u>504,877</u>
	<u>6,852,473</u>	<u>66,880,989</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

19. CASH AND CASH EQUIVALENTS (CONT'D):

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

Amounts represent loans.

	<u>2025</u> ₤	<u>2024</u> ₤
At 1 January	-	56,815,202
Cash -		
Loans received	55,259,279	-
Loan repaid	(2,921,821)	(57,269,122)
	52,337,458	(453,920)
Non-cash -		
Foreign exchange effect	-	453,920
	<u>52,337,458</u>	<u>-</u>

(d) Bank overdraft represents unrepresented cheques at end of reporting period.

20. SHARE CAPITAL:

	<u>2025</u> ₤	<u>2024</u> ₤
Authorised -		
Unlimited Ordinary shares of no par value		
Issued and fully paid -		
262,500,000 Ordinary shares of no par value	<u>137,589,247</u>	<u>137,589,247</u>

21. CAPITAL RESERVE:

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

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

22. SHORT TERM LOANS:

	<u>2025</u>	<u>2024</u>
	<u>₹</u>	<u>₹</u>
(i) Sagicor Bank	50,000,000	-
(ii) JN Finance Limited	<u>2,337,458</u>	<u>-</u>
	<u>52,337,458</u>	<u>-</u>

(i) This represents a JM dollar loan which commenced on 11 February 2025 and attracts an interest rate of 10.6% per annum. It is repayable within 12 months, and it is secured by a 365-day unbreakable certificate of deposit.

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

23. PAYABLES:

	<u>2025</u>	<u>2024</u>
	<u>₹</u>	<u>₹</u>
Trade payables	328,212,281	274,629,619
Due to employees	43,461,495	55,577,400
Other payables and accruals	<u>78,980,573</u>	<u>116,781,050</u>
	<u>450,654,349</u>	<u>446,988,069</u>

CARIBBEAN ASSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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24. RELATED PARTY TRANSACTIONS AND BALANCES:

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

	<u>2025</u>	<u>2024</u>
	<u>\$</u>	<u>\$</u>
(a) Transactions during the year		
Virsaq Limited - Rental Income	<u>2,581,638</u>	<u>3,282,692</u>
Key management compensation (included in staff costs - note 10)		
Key management includes directors and senior managers -		
Salaries and other short term benefits	<u>92,166,779</u>	<u>85,800,427</u>
Directors' remuneration -		
Fees	7,370,643	8,164,282
Management remuneration (included above)	<u>21,601,502</u>	<u>20,292,858</u>
(b) Year-end balances		
Due to -		
Directors (included in payables)	<u>147,486</u>	<u>54,393</u>
Due from -		
Directors (included in receivables)	<u>455,395</u>	<u>625,110</u>

25. DIVIDEND:

	<u>2025</u>	<u>2024</u>
	<u>\$</u>	<u>\$</u>
In respect of 31 December 2025 (\$0.07619 per share)	19,999,875	-
In respect of 31 December 2024 (\$0.1411 per share)	<u>-</u>	<u>37,038,750</u>

On 28 May 2025, the Board of Directors passed a resolution declaring a dividend payment of \$0.07619 per share for payment on 30 September 2025.

A dividend of \$0.0267 per share was approved by the Board of Directors on 12 June 2024 for payment on 26 October 2024.