

# Guardian Holdings Limited

## Notes To The Financial Statements

Year ended 31 December 2001

1	PROPERTY, PLANT AND EQUIPMENT	Freehold and Leasehold Properties	Office Furniture and Equipment	Motor Vehicles	Work in Progress	Total
Year ended 31 December 2001						
	Opening net book amount	78,777	38,983	6,058	-	123,818
	Exchange rate adjustment	(114)	(19)	(8)	-	(141)
	Additions	43,764	21,637	2,291	-	67,692
	Assets on acquisition of subsidiary	31,800	10,625	1,880	-	44,305
	Disposals and adjustments	(9,064)	(1,031)	(938)	-	(11,033)
	Depreciation charge	(1,572)	14,745	(1,747)	-	(18,064)
	Closing net book amount	143,591	55,450	7,536	-	206,577
=====						
	<b>At 31 December 2001</b>					
	Cost	150,106	137,231	13,373	-	300,710
	Valuation	(1,217)	-	-	-	(1,217)
	Accumulated depreciation	(5,298)	(81,781)	(5,837)	-	(92,916)
	Closing net book amount	143,591	55,450	7,536	-	206,577
=====						
	<b>Year ended 31 December 2000</b>					
	Opening net book amount	26,910	10,683	2,646	3,153	43,392
	Exchange rate adjustment	-	(6)	-	-	(6)
	Additions	52,400	28,715	4,016	-	85,131

Assets on acquisition of subsidiary	10,898	7,735	1,341	-	19,974
Disposals and adjustments	(9,884)	2,197	(486)	(3,153)	(11,326)
Depreciation charge	(1,547)	(10,341)	(1,459)	-	(13,347)
Closing net book amount	78,777	38,983	6,058	-	123,818
=====					
<b>At 31 December 2000</b>					
Cost	81,444	107,478	9,041	-	197,963
Valuation	753	-	-	-	753
Accumulated depreciation	(3,420)	(68,495)	(2,983)	-	(74,898)
Closing net book amount	78,777	38,983	6,058	-	123,818
=====					

	2001	2000
<b>2 INVESTMENTS IN ASSOCIATED COMPANIES</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	555,549	253,267
Cost of associates acquired	67,006	859,498
Goodwill	1,723	(464,611)
Share of results after tax	134,779	66,297
Reserve and other movements	(11,741)	(158,902)
Disposal	200,301	-
Balance at end of year	547,015	555,549

As described under Principal Activities, Neal and Massy Holdings Limited ceased to be an associate company of the Group as at 31 December 2001 and this is reflected in the movement described.

	2001	2000
<b>3 INVESTMENTS</b>	<b>\$'000</b>	<b>\$'000</b>
Government securities	1,003,571	1,104,340
Equities	722,844	701,455
Deposits with financial institutions	1,014,259	434,019
Debentures and loan stock	487,620	346,508
Mortgages	124,246	143,089
Investment properties	322,309	218,319
Policy loans	95,998	95,219

Other	27,763	3,802
	<u>3,798,610</u>	<u>3,046,751</u>

<b>Investment Properties</b>		
Balance at beginning of year	218,319	73,864
Additions	121,079	129,724
Fair value gains	8,295	17,622
Disposal of investment property	(25,384)	(2,891)
Balance at end of year	<u>322,309</u>	<u>218,319</u>

#### 4 PENSION PLAN ASSETS

The following information explains the quantification of the assets recognised in the Balance Sheet and the net income for the year in accordance with the provisions of IAS 19.

Pension Plan Assets	236,590	248,516
Present Value of Obligation to Plan Members	(56,459)	(49,369)
Value of Surplus	180,131	199,147
Assets ineligible for recognition under IAS 19	(85,219)	(117,657)
IAS 19 Balance Sheet Assets	<u>94,912</u>	<u>81,490</u>

The amount in the Profit and Loss account is made up as follows:

Expected Return on Assets	28,257	20,973
Net actuarial (loss)/gain recognised during the year	(29,606)	17,737
Interest Cost	(5,098)	(3,164)
Current Service Cost	(2,205)	(1,603)
	<u>(8,652)</u>	<u>33,943</u>
Adjustment in value of recognisable assets	22,074	(29,229)
Net income for the year	<u>13,422</u>	<u>4,714</u>

Balance at beginning of year	248,516	174,776
Expected return on assets	28,257	20,973
Benefit payments	(12,227)	(2,500)
	<u>264,546</u>	<u>193,249</u>
Actuarial (loss)/gain on assets for the year	(27,956)	23,903
Fair value of pension plan assets of acquired subsidiary	-	31,364
Balance at end of year	<u>236,590</u>	<u>248,516</u>

The principal actuarial assumptions used for accounting purposes were:

Discount rates	9.75% - 10%
Future salary increases	6% - 7%
Expected return on plan assets	10% - 12%
Post retirement mortality	Pensions annuitant 1990 ultimate
Pre-retirement mortality	Annuitants 1967 to 1970 ultimate
Withdrawal from service	Nil
Future pension increases	Nil
Proportion of employees opting for early retirement	Nil

	2001	2000
<b>5 VALUE TO SHAREHOLDERS OF INFORCE LONG-TERM BUSINESS</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	282,887	110,051
Acquisition of insurance portfolios	-	154,882
Increase for the year	21,481	17,954
Translation loss	(457)	-
Balance at end of year	303,911	282,887
=====		
<b>6 GOODWILL</b>		
Balance at beginning of year	663,410	96,943
Goodwill acquired during the year:		
- Subsidiaries	201,218	116,625
- Associated companies	(1,723)	464,611
Amortisation	(22,587)	(14,769)
One-time write-off of goodwill	(221,268)	-
Disposals	(50,076)	-
Translation adjustment	923	-
Balance at end of year	569,897	663,410
=====		
Cost	776,638	684,185
Accumulated amortisation	(206,741)	(20,775)
	569,897	663,410

The Group has decided to advance the goodwill write-off period from 33 years to 20 years. Accordingly the Group has made a one-time charge against retained earnings of \$221 million.

**7 CURRENT ASSETS**

Property development	153094	329584
Interest and dividends receivable	86,100	33,182
Due from reinsurers, agents and brokers	34,754	37,970
Other receivables and prepayments	359,459	377,145
Taxation recoverable	21,009	4,868
Cash at bank and in hand	165,394	209,839
	<u>819,810</u>	<u>992,588</u>

	<b>2001</b>	<b>2000</b>
<b>8 SHARE CAPITAL</b>	<b>\$'000</b>	<b>\$'000</b>
Issued and fully paid		
158,127,799 ordinary shares of no par value	460,021	37,766
(2000 - 125,625,000 ordinary shares)		
Balance at beginning of year	1,125,625	62,512
Stock dividend	-	62,813
Issue of shares	32,203	-
Issue of shares - share option scheme	300	300
Balance at end of year	<u>158,128</u>	<u>125,625</u>

In May 2001, 300,000 new ordinary shares were issued pursuant to the Executive Stock Option Plan.

In July 2001, 19,373,077 new ordinary shares were issued at an issue price of \$13.00 per share being subscription in full of the rights issue approved by the Board on 12 April 2001 and offered to shareholders on the basis of two (2) new shares for every thirteen (13) ordinary shares held as at 31 May 2001.

In September 2001, 12,829,722 new ordinary shares were issued at an issue price of \$13.50 per share with the approval of a resolution of the shareholders on 24 September 2001 in consideration for the acquisition of 13,579,643 shares of N.E.M. (West Indies) Insurance Limited.

**Executive Stock Option Plan**

The Group operates a Stock Option Plan for its Executives. A total of 13,031,252 shares have been allocated to this plan since inception, inclusive of bonus issues and stock dividends as well as the increase approved at the Annual Meeting in 1999.

The current status of options inclusive of bonus issues and stock dividends to date is as follows:

Total shares allocated to the plan	13,031
Issued pursuant to exercise of options	(5,456)
Outstanding options	(2,718)
<hr/>	
Remaining shares allocated to plan in respect of which options have not been granted	4,857

**9 RESERVES**

Investment valuation reserve	-	225,767
Property revaluation reserve	10,261	2,866
Associated company reserves	34,096	5,455
Translation reserve	(15,471)	(25,715)
	28,886	208,373

**Investment Valuation Reserve**

On the adoption of IAS 39 the Investment Valuation Reserve has been credited to Retained Earnings as required by the transition rules contained in the Implementation Guidance to IAS 39.

**Associated Companies Reserves**

Investment revaluation reserve	22,868	-
Property revaluation reserves	5,070	1,359
Capital reserve	562	2,259
Statutory reserve	5,596	1,837
	34,096	5,455

**10 MEDIUM TERM DEBT**

Total borrowings:		
Parent company	879,366	531,664
Subsidiaries	87,487	13,230
Joint ventures	172,658	124,327
	<hr/>	<hr/>
	1,139,511	669,221
Less: current portion	237,735	358,800
	<hr/>	<hr/>
	901,776	310,421

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**Parent Company****Loan 1 - \$61.3 million**

Interest is charged at 10.5% per annum and is repayable semi-annually. The principal will be repaid in September 2002. The loan is secured by equity investments.

**Loan 2 - \$77.3 million**

Interest is floating at 3-month LIBOR plus 0.75% and is payable quarterly. The principal will be repaid in 2003. The loan is secured by equity investments.

**Loan 3 - \$40 million**

Interest is charged at 12.25% and is payable quarterly. The principal will be repaid in January 2002. The loan is secured by equity investments.

**Loan 4 - \$81.6 million**

Interest is charged at 9.1 % per annum. Interest and principal will be repaid at maturity in March 2002. The loan is unsecured.

**Loan 5 - \$500 million**

Interest is charged at 10.75% per annum and is payable quarterly. This is a fixed rate 10-year bond maturing in December, 2011. It will be repaid in equal quarterly instalments after the second anniversary of the initial draw down. The loan is secured by a debenture creating a charge over the fixed and floating assets of Guardian Holdings Limited.

**Loan 6 - \$119.1 million**

Interest is charged at 12.75% per annum. The principal and interest will be repaid over three years commencing April 2002. The loan is secured by equity investments.

**Subsidiaries****Loan 1 - \$45 million**

This is a debenture loan secured by a charge on tangible property to be repaid by 2003. The rate of interest is 9.75% payable quarterly.

**Loan 2 - \$4.7 million**

This is a mortgage loan to be repaid over the next 5 years at an interest rate of 9%. The loan is secured on the company's office building at Collymore Rock, Barbados.

**Loan 3 - \$31.5 million**

This loan is in the form of a promissory note for an amount of US\$5 million, renewable at maturity on 1 May 2002. The note bears interest at 9.75% per annum and is secured by selected stocks, shares and securities including the 25% shareholding in QualSure Holding Corporation.

**Loan 4 - \$6.3 million**

This loan is in the form of a demand loan for an amount of US\$1 million, repayable on 31 August 2002. The demand loan bears interest at 1 year US LIBOR plus 3% and is secured by Government of Belize bonds.

**Joint Ventures**

This represents the Group's proportionate share of the debt of the joint venture companies.

**Loan 1 - \$60.8 million**

The loan to the joint venture company is secured by a deed of mortgage over the company's freehold land. Interest is charged at a rate of local US dollar prime plus 0.75% per annum.

**Loan 2 - \$111.8 million**

These loans bear interest at rates between 12.25% and 13% and are secured by property and buildings.



<b>11 DEFERRED TAX</b>	<b>2001</b>	<b>2000</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of year	17,625	14,767
Deferred tax on acquisition of subsidiaries	(7,431)	-
Charge for the year	2,956	2,858
Balance at end of year	13,150	17,625

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Deferred tax liabilities are attributable to the following:

Accelerated tax depreciation	704	671
Pension plan assets	1,140	731
Value to shareholders of long term insurance business in force	8,120	8,064
Tax losses	(7,085)	-
Zero coupon bonds	10,271	8,159
	13,150	17,625

<b>12 INSURANCE FUNDS</b>	<b>2001</b>	<b>2000</b>
	<b>\$'000</b>	<b>\$'000</b>
Life Assurance Funds		
Long term insurance contracts	1,069,997	986,121
Deposit administration contracts	1,010,074	944,392
Unit-linked funds	660,534	748,259
	2,740,605	2,678,772
Participating policyholders' share of the surplus from long term insurance business	247,009	229,883
	2,987,614	2,908,655
General Insurance Funds		
Unearned premiums	181,164	126,077
Outstanding claims	218,076	129,670
Catastrophe reserve	17,982	14,685
Unexpired risk reserve	988	-
Marine reserve fund	458	-
Claims equalisation reserve	1,173	-
	419,841	270,432
	3,407,455	3,179,087

**13 CURRENT LIABILITIES**

Bank overdraft and other short-term borrowings	16,469	125,073
Current portion of medium term debt	237,735	358,800
Insurance and other payables and accrued charges	165,927	417,891
Due to reinsurers	33,114	18,631
Provision for taxation	8,437	12,660
Dividends	47,438	37,688
	<u>509,120</u>	<u>970,743</u>

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Interest on short-term borrowings was charged at rates between 11.6% and 13.5% during the year.

**14 REVENUE**

Gross premium	912,980	690,667
Reinsurance	(282,569)	(27,534)
Net premium income	<u>630,411</u>	<u>663,133</u>
Investment income	491,405	173,451
Income from real estate operations	69,519	78,554
Increase in value of recognisable pension plan assets	13,422	4,714
	<u>1,204,757</u>	<u>919,852</u>

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Included in premium income and investment income respectively are the following:

Increase in the value to shareholders of inforce long-term business	21,481	17,954
Transfer from investment valuation reserve	-	37,147
Realised and unrealised investment gains / losses	109,028	-
Foreign exchange gains	6,397	-

<b>15 PROFIT BEFORE TAXATION</b>	<b>2001</b>	<b>2000</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before taxation is arrived at after charging:		
Policyholders' benefits	306,924	263,046
Staff cost	145,039	144,853
Depreciation	118,064	13,347
Directors' fees	1,045	963
Auditors' remuneration	1,966	1,496
=====		
Staff cost includes:		
Pension costs	1,932	844
=====		

The average number of employees in 2001 was 1,859 (2000:1,572).

<b>16 TAXATION</b>		
Parent company	936	-
Subsidiaries	112,732	9,943
Associated companies	29,338	24,612
Joint ventures	37	25
Deferred tax	2,956	2,858
	<u>45,999</u>	<u>37,438</u>
=====		

The tax on the operating profit differs from the theoretical amount that would arise using the basic tax rate of the parent as follows:

Operating profit	273,612	190,229
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Prima facie tax calculated at corporation tax rate 35%	95,764	66,580
Effect of different tax rate of life insurance companies	(26,196)	(20,327)
Effect of different tax rate in other countries	237	-
Income not subject to tax	(158,029)	(384,710)
Expenses not deductible for tax purposes	130,500	372,365
Utilisation of tax losses	(44)	(2,444)
Tax reliefs and deductions	(5,054)	-
Business levy/green fund levy	921	5,974
Prior year taxation adjustment	921	-
Tax losses not recognised	6,460	-
Miscellaneous adjustments	519	-
	45,999	37,438
=====		

**17 DIVIDENDS**

Interim dividend paid - 10c per share (2000 - 80c)	14,530	10,050
Final - 30c per share (2000 - 30c)	47,438	37,688
	61,968	47,738
=====		

**18 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2001	2000
	\$'000	\$'000
Net profit attributable to shareholders	188,495	137,940
Weighted average number of ordinary shares in issue	138,397	125,548
Basic earnings per share	1.36	1.10

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted for the share options granted to the Executives.

Net profit attributable to shareholders	188,495	137,940
Weighted average number of ordinary shares for diluted earnings per share	140,220	126,769
Diluted earnings per share	1.34	1.09

**19 ACQUISITION OF SUBSIDIARIES****N.E.M. (West Indies) Insurance Limited**

In September 2001 the Group acquired a block of shares of N.E.M. (West Indies) Insurance Limited. This increased the Group's holding to 92%. By 31 December 2001 the Group had acquired all the remaining shares and attained 100% ownership of this subsidiary.

Purchase Consideration	
Cash consideration	60,070
Non-cash consideration	171,918
Minority Interests Acquired	(129,104)
Goodwill	102,884

**Caribbean Home Insurance Company Limited (Caribbean Home) and Risk Management Services Limited (RMS) and its Subsidiaries**

On 31 December 2001 the Guardian Holdings Limited Group concluded an agreement with Neal & Massy Holdings Limited to acquire 100% of the issued share capital of Caribbean Home and RMS. Consequent upon the aforementioned, Guardian Holdings Limited automatically acquired all of the ordinary shares in the capital of R&M Reinsurance Intermediaries Limited and Huggins Services Limited. The consideration for the companies acquired was satisfied by the sale of a significant portion of the Guardian Holdings Limited Group's shareholding in Neal & Massy Holdings Limited.

Purchase consideration	
Cash consideration	-
Non-cash consideration	222,074
Fair value of net assets required	(123,740)
Goodwill	98,334
=====	

The fair value of the net assets approximated the book value of the net assets acquired.

The assets and liabilities arising from the acquisition are as follows:

Cash and cash equivalents	48,778
Other non-current assets	147,513
Current assets other than cash and cash equivalents	108,328
Non-current liabilities	(151,531)
Current liabilities	(29,348)
	123,740
Goodwill	98,334
Total purchase consideration	222,074
Less: cash and cash equivalents acquired	(48,778)
Less: non-cash consideration	(222,074)
Cash inflow from acquisition	(48,778)
=====	
Subsidiaries:	
Caribbean Home Insurance Company Limited	(44,224)
Risk Management Services Limited and its subsidiaries	(4,554)
	(48,778)

N.E.M. (West Indies) Insurance Limited	60,070
Net cash outflow from acquisitions	11,292
=====	
Total Goodwill on acquisition of subsidiaries:	
N.E.M. (West Indies) Insurance Limited	102,884
Caribbean Home Insurance Company Limited, Risk Management Services Limited and its subsidiaries	98,334
	201,218
=====	

## 20 NET CASH

Cash at bank and in hand	165,394	209,839
Bank overdraft and other short term borrowings	(16,469)	(125,073)
	148,925	84,766
=====		
At beginning of year	84,766	(44,849)
At end of year	148,925	84,766
Net increase in cash	64,159	129,615
=====		

## 21 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts whose value is derived from an underlying interest rate, foreign exchange rate, equity or bond price, commodity price or index.

Swaps are transactions in which two parties exchange cash flows on a specified notional amount for a predetermined period. For interest rate swaps, fixed and floating interest payments are exchanged based on the notional amount. For a price change swap the face value is exchanged for the market value of the underlying.

The Group entered into Total Return Swaps, which combine both interest rate and price change on security features in connection with its asset/liability management activities. The notional amount of the outstanding swaps is \$71,567,222. The fair value of the swap contracts at the balance sheet date is nil.

## **22 FINANCIAL INSTRUMENTS**

### **Interest rate risk**

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. Exposure is managed largely by the use of natural hedges that arise by matching interest sensitive assets with liabilities of a similar nature.

### **Foreign exchange risk**

Most of the Group's liabilities are denominated in local currency and are matched with local assets. The strategy for dealing with foreign exchange risk is to offset as far as possible foreign currency liabilities with assets denominated in the same currency.

### **Credit risk**

The Group has no significant concentration of credit risk. The Group minimises its credit risk by limiting its investment in mortgages and its counterparties to Government, major banks and financial institutions.

### **Fair value of financial assets and liabilities**

Financial assets and liabilities are carried at amounts which approximate their fair values at the balance sheet date. The following methods and assumptions have been used to estimate fair value.

### **Cash and cash equivalents, investments and other non-current assets**

The carrying amounts of cash and certain other financial assets approximate fair values. The fair value of publicly traded instruments is based on quoted market values. Market values were determined on the basis of available information at the end of the financial year, and therefore did not take into account subsequent movements.

As provided in the Statement of Significant Accounting Policies, unquoted securities and corporate bonds are stated at market value, and in the absence of market values, at cost.

Mortgages are granted under typical market conditions and their values are not adversely affected by unusual terms.

### **Receivables, payables and short-term borrowings**

The carrying amounts are a reasonable estimate of the fair values because of their short-term nature.



Medium term debt

Medium term debt is carried at amounts which reflect contractual obligations.

## 23 CONTINGENT LIABILITIES AND COMMITMENTS

### Legal proceedings

Group companies are defendants in various legal actions. In the opinion of the Directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss.

### Taxation

The Board of Inland Revenue has raised additional assessments in certain subsidiaries within the Group for the years of income 1994 to 1997 for the aggregate amount of \$68 million. The Directors, based on appropriate advice, are satisfied that the returns have been properly filed and have objected to the assessments. Accordingly, no adjustments have been reflected in these financial statements.

### Capital Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	2001	2000
	\$'000	\$'000
Property, plant and equipment	300	-
Property developments	66,633	216,634
	64,733	216,634
=====		
<b>Operating lease commitments</b>		
Within one year	3,049	1,883
One to five years	4,681	3,761
	7,730	5,644
=====		

Rental expense under these leases amounted to \$2,657,113 for the year ended 31 December 2001 (2000 - \$2,371,963)

24 SEGMENT INFORMATION

Primary Reporting Format - Business Segments

Year Ended 31 December 2001	Long-term	Short-term	Property	Other	Group
	Insurance	Insurance			
	Business	Business	Property	Other	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Revenue	820,942	299,690	69,261	14,864	1,204,757
Profit before Taxation	62,452	50,088	5,649	155,423	273,612
Taxation	10,556	9,491	248	25,704	45,999
Profit after Taxation	51,896	40,597	5,401	129,719	227,613
Transfer to Reserves	-	-	-	5,643	5,643
Minority Interests	27,542	637	-	5,296	33,475
Profit available to shareholders	24,354	39,960	5,401	118,780	188,495
Total Assets	4,307,012	832,275	402,973	798,472	6,340,732
Total Liabilities	3,927,193	543,940	342,879	17,489	4,831,501
Property, plant and equipment additions	20,666	3,076	43,950	-	67,692
Depreciation expense	12,863	2,667	2,534	-	18,064
Goodwill acquired	-	201,218	-	(1,723)	199,495
Amortisation of goodwill	2,489	3,119	-	16,979	22,587
Share of net assets of associates	-	-	-	547,015	547,015
Share of net profit of associates	-	-	-	134,779	134,779

As per Note 19 Caribbean Home, whose principal activity is short-term insurance, was acquired on 31 December 2001. Therefore, the profits of Caribbean Home are not included in these Financial Statements. However, the assets and liabilities of that company have been consolidated into the Group's assets and liabilities as at 31 December.

Year Ended 31 December 2000	Long-term	Short-term	Property	Other	Group
	Insurance	Insurance			
	Business	Business	Property	Other	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Revenue	833,145	8,789	77,918	-	919,852
Profit before Taxation	55,189	9,662	42,980	82,398	190,229
Taxation	11,616	3,545	45	22,232	37,438
Profit after Taxation	43,573	6,117	42,935	60,166	152,791
Transfer to Reserves	-	-	-	986	986
Minority Interests	13,436	-	-	429	13,865
Profit available to shareholders	30,137	6,117	42,935	58,751	137,940
Total Assets	3,909,653	659,441	460,349	717,050	5,746,493
Total Liabilities	3,690,052	385,179	402,645	-	4,477,876
Property, plant and equipment additions	72,123	-	13,008	-	85,131
Depreciation expense	12,584	-	763	-	13,347
Goodwill acquired	100,977	15,648	-	464,611	581,236
Amortisation of goodwill	4,761	36	-	9,972	14,769
Share of net assets of associates	-	-	-	555,549	555,549
Share of net profit of associates	-	-	-	66,297	66,297

**Secondary Reporting Format - Geographical Segments**

	Total Revenue		Total Assets	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trinidad and Tobago	755,066	459,387	4,011,434	3,445,508
Other individual Countries over 10% threshold:				
Jamaica	319,985	451,995	1,303,487	1,481,789
Barbados	690	-	104,333	41,836
Other Countries	129,016	8,470	374,463	221,811
	1,204,757	919,852	5,793,717	5,190,944
	=====			
Associates			547,015	555,549
Total Assets			6,340,732	5,746,493
	=====			

	Property, Plant and Equipment Additions		Goodwill Acquired	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trinidad and Tobago	52,565	26,960	201,218	489,581
Other individual countries over 10% threshold:				
Jamaica	15,127	58,170	(1,723)	91,655
Barbados	-	-	-	-
Other countries	-	-	-	-
	67,692	85,130	199,495	581,236
	=====			

**25 RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The ultimate parent of the Group is Guardian Holdings Limited.

A number of transactions are entered into with related parties in the normal course of business. These transactions are carried out on commercial terms and conditions at market rates.

**26 SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES**

	<b>Effective Percentage of interest held</b>
<b>Subsidiaries</b>	
Guardian Life of the Caribbean Limited	80
Guardian Life Limited	80
BancAssurance Caribbean Limited	80
NEM (West Indies) Insurance Limited	90
Guardian Properties Limited	100
West Indies Alliance Insurance Limited	100
Star Technologies Limited	100
Caribbean Home Insurance Company Limited	100
Risk Management Services Limited	100
R&M Reinsurance Intermediaries Limited	100
Huggins Services Limited	100
<b>Joint Ventures</b>	
Tobago Plantations Limited	50
RGM Limited	33.3
<b>Associated Companies</b>	
RBTT Financial Holdings Limited	20.4
Pan Jamaican Investment Trust Limited	20.5

All undertakings are incorporated in the Republic of Trinidad and Tobago except for Guardian Life Limited, West Indies Alliance Insurance Limited, Star Technologies Limited and Pan Jamaican Investment Trust Limited, which are incorporated in Jamaica.

The following amounts represent the Group's share of the assets and liabilities and revenues and expenses of the joint venture companies included in the consolidated balance sheet and income statement:

Property, plant and equipment	48,958	7,931
Investments	192,772	198,006
Current Assets	109,120	26,916
	350,850	232,853
Current Liabilities	52,571	57,808
Net Assets	298,279	175,045
=====		
Revenue	36,611	31,548
=====		
Profit before taxation	6,292	22,364
Taxation	39	25
Profit after taxation	6,253	22,339
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Proportionate interest in joint venture companies' commitments	64,433	124,133
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Proportionate interest in joint venture companies' contingent liabilit	4,500	4,500
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