



UNAUDITED FINANCIAL STATEMENTS FOR  
ENDED 31<sup>th</sup> MARCH 2018



# IronRock Insurance Company Limited

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## Report to Stockholders

The Directors are pleased to present the unaudited financial statements of IronRock Insurance Company Limited (“IronRock”) for the quarter ended 31st March 2018.

IronRock continued to experience strong growth, with gross written premium of \$155 million for the 3 months ended 31st March 2018 (2017: \$61.9 million) an increase of 150%. Net earned premium also increased significantly to \$38.4 million (2017: \$9.7 million), an increase of 296%

Claims Incurred for the quarter increased 36% to \$17.3 million (2016: \$12.7 million) whilst Operating Expenses amounted to \$37.6 million (2017: \$31 million) a 21% increase and Net Commission Income amounted to \$1.3 million (2016: \$0.5 million).

Consequently, we generated an Underwriting Loss of \$15.1 million versus an Underwriting loss of \$33.5 million in 2016.

Other income for the period totalled \$10.5 million (2016: \$6.2 million) and consisted primarily of investment income of \$8 million.

IronRock’s net loss for the period under review was \$4.6 million compared to a loss of \$27.3 million in the previous year.

We wish to thank our clients, brokers and reinsurers for their support during the year.



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Evan Thwaites  
Managing Director

**IronRock Insurance Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended March 31, 2018**

	Unaudited 3 months to <u>Mar 31, 2018</u> \$'000	Unaudited 3 months to <u>Mar 31, 2017</u> \$'000	Audited <u>Dec 31, 2017</u> \$'000
Gross Premium	155,019	61,940	424,462
Less proportional reinsurance	(99,456)	(42,296)	(270,291)
Excess of loss premium	<u>(6,774)</u>	<u>6,442</u>	<u>(25,768)</u>
Net premium	48,789	13,202	128,403
Unearned premium adjustment, net	<u>(10,350)</u>	<u>(3,502)</u>	<u>(50,395)</u>
Net earned premium	38,439	9,700	78,008
Commission earned	15,270	5,403	33,630
Commission incurred	(13,922)	(4,876)	(31,456)
Claims, net	(17,304)	(12,691)	(46,829)
Operating expenses	<u>(37,613)</u>	<u>(31,032)</u>	<u>(134,735)</u>
Underwriting loss	(15,130)	(33,495)	(101,382)
Other income			
Investment income	8,057	7,450	30,736
Bank interest	2	1	4
Profit/(Loss) on sale of Investment	-	(1,552)	24,085
Foreign exchange gain	<u>2,408</u>	<u>316</u>	<u>(1,305)</u>
	<u>10,467</u>	<u>6,215</u>	<u>53,520</u>
(Loss) before taxation	(4,663)	(27,281)	(47,862)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(4,663)</u>	<u>(27,281)</u>	<u>(47,862)</u>
Gain/(Loss) per share (cents per share)	(0.02)	(0.13)	(0.22)



**IronRock Insurance Company Limited**  
**Statement of Financial Position**  
**March 31, 2018**

	<b>Unaudited</b> <b>3 months ended</b> <b>March 31, 2018</b> <b>\$'000</b>	<b>Unaudited</b> <b>3 months ended</b> <b>March 31, 2017</b> <b>\$'000</b>	<b>Audited</b> <b>Year ended</b> <b>December 31, 2017</b> <b>\$'000</b>
<b>ASSETS</b>			
Cash and cash equivalents	125,861	158,821	56,502
Investments	333,050	365,856	280,610
Insurance and other receivables	104,812	57,061	166,307
Reinsurance assets	202,584	62,850	190,771
Taxation recoverable	11,513	4,996	9,160
Short-term Investments	83,117	-	171,351
Securities purchased under resale agreements	45,025	31,002	17,256
Property plant and equipment	15,616	19,641	16,398
Intangible Asset	5,599	4,230	5,760
Deferred acquisition Cost	<u>25,117</u>	<u>12,100</u>	<u>23,650</u>
	<u>952,294</u>	<u>716,557</u>	<u>937,765</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Insurance and other payables	81,802	44,649	100,682
Insurance contract provisions	337,811	120,077	303,392
Deferred commission income	<u>24,516</u>	<u>12,514</u>	<u>21,352</u>
Total Insurance Funds	444,129	177,240	425,426
Shareholders' equity	<u>508,165</u>	<u>539,317</u>	<u>512,339</u>
	<u>952,294</u>	<u>716,557</u>	<u>937,765</u>

Managing Director  
R. Evan Thwaites

Director of Finance  
Wayne Hardie



**IronRock Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the year ended March 31, 2018**

	Ordinary share capital \$'000	Capital reserve \$'000	Investment Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balances as at December 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>5,527</u>	<u>(98,068)</u>	<u>512,339</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,663)</u>	<u>(4,663)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>489</u>	<u>-</u>	<u>489</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>6,016</u>	<u>-</u>	<u>6,016</u>
Balances as at March 31, 2018	<u>465,540</u>	<u>139,340</u>	<u>6,016</u>	<u>(102,731)</u>	<u>508,165</u>
Balances as at December 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>5,505</u>	<u>(50,206)</u>	<u>560,179</u>
Net loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,281)</u>	<u>(27,281)</u>
Other Comprehensive income:					
Equity revaluation reserve	<u>-</u>	<u>-</u>	<u>6,419</u>	<u>-</u>	<u>6,419</u>
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>6,419</u>	<u>-</u>	<u>6,419</u>
Balances as at March 31, 2017	<u>465,540</u>	<u>139,340</u>	<u>11,924</u>	<u>(77,487)</u>	<u>539,317</u>

**IronRock Insurance Company Limited**  
**Statement of Cash flows**  
**For the year ended March 31, 2018**

	Unaudited 31-Mar-18 \$'000	Unaudited 31-Mar-17 '000	Audited 31-Dec-17 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/Profit after taxation	(4,663)	(27,281)	(47,862)
Adjustments to reconcile (loss)/profit to net cash provided by operating activities:			
Depreciation	1,352	1,278	5,177
Gain/Loss on disposal of investment	-	1,552	(24,085)
Increase in insurance funds	22,606	19,069	70,242
Taxation	-		
Interest income	<u>(8,057)</u>	<u>(7,450)</u>	<u>(28,555)</u>
	11,238	(12,831)	(25,083)
Increase in current assets:			
Insurance and other receivables	59,169	(17,753)	(119,557)
Deferred Policy acquisition cost	(1,467)	(2,361)	(13,911)
Taxation Paid	<u>(2,353)</u>	<u>(2,374)</u>	<u>(6,538)</u>
	55,349	(22,488)	(140,006)
Increase/(decrease) in current liabilities:			
Insurance and Other Payables	(18,880)	18,717	75,263
Unearned Commission	<u>3,164</u>	<u>3,182</u>	<u>12,020</u>
	<u>(15,716)</u>	<u>21,899</u>	<u>87,283</u>
Net cash used by operating activities	<u>50,871</u>	<u>(13,420)</u>	<u>(77,806)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase)/decrease in:			
Short-term Investments, Net	88,234	70,347	(101,004)
Securities Purchased/Sold under resale agreement	(27,769)	(352)	13,393
Investment, Net	(51,951)	(243)	15,855
Additions to fixed assets	(570)	(92)	(2,279)
Intangibles	161		
Proceeds from the sale of Investments	-	4,795	93,184
Interest received	<u>10,383</u>	<u>11,549</u>	<u>28,923</u>
Net cash proceeds/(used) by investing activities	<u>18,488</u>	86,004	<u>48,072</u>
Net increase in cash and cash equivalents	69,359	72,585	(29,734)
Cash and cash equivalents at beginning of period/year	<u>56,502</u>	<u>86,236</u>	<u>86,236</u>
Cash and cash equivalents at end of period/year	<u>125,861</u>	<u>158,821</u>	<u>56,502</u>

Notes to the Unaudited Financial Statements  
For the year ended March 31, 2018

1. Identification

IronRock Insurance Company Limited (the company) was incorporated June 9, 2015 and is domiciled in Jamaica, with its registered office at 1b Braemar Avenue, Kingston 10. At December 31, 2015, the company was a wholly owned subsidiary of Granite Group Limited, a company incorporated and domiciled in St. Lucia. As a result of the Initial Public Offering (IPO) on 1 March 2016, Granite Group Limited's ownership reduced to 50.9%. The principal activity of the company is the underwriting of general insurance business.

The company commenced trading March 2016.

2. Insurance licence

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

3. Basis of preparation

The financial statements are prepared on the historical cost basis. The unaudited financial results for the three months' period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Statements

4. Significant Accounting Policies

The same accounting policies and methods of computations are followed in the interim financial statements as compared with the most recent annual audited financial statements.

5. Loss per share

The calculation of loss per share is based on the net loss for the period attributable to shareholders and the 214,000,000 issued and fully paid ordinary share units.



List of Shareholders  
As at March 31, 2018

Authorised Share Capital	1,000,000,000 units
Issued Share Capital	214,000,000 units

**Top Ten Shareholders**

<b><u>Name</u></b>	<b><u>Shareholdings</u></b>
Granite Group Ltd	109,000,000
Mayberry West Indies Limited	45,778,000
Catherine Adella Peart	7,000,000
Ian C. Kelly	4,243,672
Sharon Harvey-Wilson	3,768,339
Michelle A. Myers Mayne	3,000,000
Bamboo Group Holdings Limited	2,938,287
William D. McConnell	
Tania McConnell/Leah McConnell	808,000
William D. McConnell	
Tania McConnell/David McConnell	806,000
William D. McConnell	
Tania McConnell/William McConnell	806,000
	2,420,000
Stafford Burrowes/Marilyn Burrowes	2,000,000
Apex Pharmacy	1,989,266

<b><u>Connected Persons</u></b>	<b><u>Shareholdings</u></b>
Jean Bell	300,000

**Shareholdings of Directors and Senior Officers**

<b><u>Directors</u></b>	<b><u>Shareholdings</u></b>	<b><u>Connected Persons</u></b>
Richard Evan Thwaites	1,500,000	109,000,000
William A. McConnell	-	109,811,000
Wayne N. Hardie	1,025,727	-
Anthony Bell	-	300,000
William D. McConnell	-	112,231,000
Christopher Berry	-	50,705,553
Gary Peart	-	52,778,000
Jan Polack	-	-
<b><u>Senior Officers</u></b>		
Yvonne Daley	250,000	-
Maurice Bolt	200,000	-