


TURKS & CAICOS ISLANDS NATIONAL INSURANCE BOARD

2023-2024
2024-2025
ANNUAL REPORT

"We Are Because You Are"

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Hon. Charles W. Misick
Premier & Minister of Finance
Hon. Hilly A. Ewing Building
1292 Leeward Highway
Providenciales
Turks & Caicos Islands

Dear Hon. Premier,
In accordance with Section 48(1) of the National Insurance Ordinance, I have the privilege of submitting to you, on behalf of the Board of Directors, the Annual Report of the National Insurance Board for fiscal years 2023/24 & 2024/25.

Included with this report are the audited financial statements of the National Insurance Board, together with the report of the Independent Auditors.

Trevor M Cooke

Trevor M. Cooke
Chairman

CORPORATE INFORMATION

The Turks and Caicos Islands National Insurance Board (NIB) was established under the National Insurance Ordinance No.10 of 1991 coming into effect April 6, 1992. The NIB is the sole provider of social insurance benefits to persons who are gainfully employed within the Turks and Caicos Islands between the ages of 16 and 65 years. The NIB is a statutory body of the Turks & Caicos Islands Government (TCIG).

HEAD OFFICE

Headley Durham Building
Church Folly
Grand Turk
Turks & Caicos Islands

Phone: (649) 946-1048
Email: nib@tcinib.tc
Web: www.tcinib.tc

BANKERS

CIBC Caribbean
1271 Leeward Highway
Providenciales
Turks & Caicos Islands

Scotiabank (Turks & Caicos) Ltd.
88 Cherokee Road
Providenciales
Turks & Caicos Islands

RBC Royal Bank (Bahamas) Ltd
Raleigh House
Leeward Highway
Providenciales
Turks & Caicos Islands

EXTERNAL AUDITORS

Baker Tilly
18 The Village at Grace Bay
Providenciales
Turks & Caicos Islands

BRANCH OFFICES

Hon. Hilly A. Ewing Building
1292 Leeward Highway
Providenciales
Turks & Caicos Islands
Phone: (649) 941-5806

Lewis Cox Building
Andrews Street
South Caicos
Turks & Caicos Islands
Phone: (649) 946-3280

High Rock
Bottle Creek
North Caicos
Turks & Caicos Islands
Phone: (649) 946-7200

We Are Because You Are

MISSION / VISION / CORE VALUES

MISSION

"To be fiscally prudent in the provision of dependable, transparent and excellent social security services to our beneficiaries"

VISION

"The NIB will be the most caring, trusted, fiscally sound provider of social security services"

CORE VALUES

CARING We listen with empathy and act with compassion	**UNITY OF PURPOSE** We lift our team because we go farther together	**PROFESSIONAL** We show up with excellence in everything we do
INTEGRITY We let honesty and ethics guide every decision	**RELIABLE** We are people others can count on	**TRANSPARENT** We communicate openly and clearly

MESSAGE
FROM THE MINISTER

Hon. Rachel M. Taylor

MINISTER OF EDUCATION, LABOUR & EMPLOYMENT

"It is my honor to serve and address you as the Minister responsible for National Insurance, and to greet all stakeholders. As promised in our Citizens' Contract, the government adopted a bold new initiative and reassigned the National Insurance Board from the Ministry of Finance, Trade and Investment to the Ministry of Education, Labor and Employment Services. We believe this arrangement enables synergistic collaboration with Labor and Employment Services to deliver a more efficient, seamless customer service experience to various stakeholders."

A MESSAGE FROM THE MINISTER

Financial Assistance Program

During the period covered by this report, the government implemented a significant social program for the elderly. The Financial Assistance Program pays up to $1,000 per month to senior citizens aged 70+ who meet the relevant means test. This program provides direct financial support, potentially reducing poverty and improving the quality of life for eligible seniors. The National Insurance Board assisted with commissioning the actuarial study for the program at its conceptual stage.

National Insurance Shared Services

Significant progress was made on the National Insurance Shared Services project. Legislation harmonized sections of the National Insurance and National Health Insurance Ordinances, and a memorandum of understanding was signed by both institutions.

Contribution Rate Reform

We recognize that implementing contribution reform in 2022 was a difficult decision, but we considered it a necessary remedial step to reinforce the safety net of our National Insurance plan. I am certain we will see the benefit of the decision in the coming years. The final increase in the contribution rate took effect on April 1, 2024.

Pay and Grading Review of Statutory Bodies

Our government expects service excellence from all public entities, including our statutory institutions. We commissioned a review of salaries across statutory and public bodies to ensure equity and alignment with the overall public service pay policy, which supports the delivery of the high-quality public service our people deserve.

Multi-Employer Enhanced Pension Plan

Staff of the National Insurance Board would also have benefited from the introduction of the public sector's Multi-Employer Enhanced Pension Plan. Under this plan, the institution would make a mandatory monthly contribution equal to 3% of each permanent employee's salary, thereby increasing employees' retirement savings. Additionally, members would have received supplementary contributions based on their years of previous service, recognizing their commitment and tenure.

National Internship and Apprenticeship Programme

Partnering with the Ministry of Education's Internship and Apprenticeship Program (NIAP) presented a strategic opportunity for NIB to cultivate talent by offering practical work experience to participants who actively contributed to ongoing projects. This collaboration allowed permanent staff to focus on complex responsibilities, boosting efficiency and positioning the organization for future expansion. Through this program, the NIB hosted six participants during the summer, who developed professional skills and deepened their understanding of the organization's operations.

For over three decades, the NIB has delivered essential social protection for the people of the Turks & Caicos Islands. Thank you for your service. I encourage continued dedication to improving service delivery and the National Insurance Fund's sustainability.

Hon. Rachel M. Taylor
Minister of Education, Labour & Employment

MESSAGE
FROM THE CHAIRMAN

Mr. Trevor M. Cooke

As the inaugural and two-time Director/CEO of the NIB, I am pleased to return as Chairman.

While the regulatory environment has evolved, the NIB's core mandate remains to deliver benefits efficiently and effectively. All our actions support this mission.

I extend my greetings to all contributors and beneficiaries. I look forward to working with the board of directors (the Board) and management to advance our objectives through sound policy development and oversight.

I will highlight a few key areas where the board made significant progress during the reporting period.

A MESSAGE FROM THE CHAIRMAN

Strengthen the Governance Structure

The Board began assessing and improving the institution's cybersecurity maturity. We will develop a governance framework to strengthen our cybersecurity posture. Management will monitor the framework, the Audit and Risk Subcommittee will provide oversight, and the Board will evaluate its overall effectiveness.

The Board also established a Compliance Subcommittee to enhance oversight of compliance. Adherence to the National Insurance Ordinance and regulations ensures the collection of delinquent contributions and supports our core purpose: providing coverage for the workforce and their families.

The NIB held its first Annual General Meeting under the purview of the outgoing Chairman. I am committed to further strengthening transparency and public reporting and was pleased to chair the first public meeting of the Board.

Sustainability of the Fund

The Board and management proposed reforms to benefits parameters and contribution rates, based on actuarial advice, to enhance the fund's sustainability. The last of the phased-in increases to the contribution rate was implemented in April 2024. At the 12% contribution rate for the private sector, the NIB is well aligned with other regional institutions.

The Board also commissioned and approved a new funding policy. Consistent actuarial evaluations and the adoption of the recommendations will strengthen the fund and help protect the safety net for future generations.

Our Future

We are implementing a new enterprise system to streamline processes and enhance service for contributors and beneficiaries. The web portal now allows online statement submissions and contribution payments. Future phases will introduce services such as benefit applications and real-time account access.

The Board has acquired property near the Blue Hills Roundabout for a future mixed-use development. Part of the land will support investment opportunities, while another section will house a new office complex for Providenciales operations. These projects will create jobs, increase contribution income, and provide modern office space for staff who have been working in overcrowded conditions. The new construction also allows the NIB to incorporate green and smart building practices.

The Board remains committed to staff development. Training was provided at all levels, and two scholarships were awarded during the reporting period.

Thank You

Thank you to management and staff for your dedicated service. Your efforts continue to advance this institution. I extend special thanks to Mrs. Maxine Baptiste, both personally and on behalf of the Board, for her 19 years of service as Board Secretary. We wish her all the best.

Trevor M Cooke

Trevor M Cooke
Chairman, Board of Directors

BOARD OF DIRECTORS

Trevor Cooke
Chairman

Joseph Connolly
Deputy Chairman

Floyd Seymour
Employer Rep

Athenee Harvey-Basden
Government Rep

Zaneta Burton
Government Rep

Danitra Clare
Insured Person Rep

Jermaine Fulford
Insured Person Rep

EXECUTIVE TEAM

Diandra Mills
Deputy Director, Operations

Leroy Tull
Legal Counsel

Richard Taylor
Internal Auditor

Gerilane Rigby
Investment Manager

Esther-Ann Harvey
Financial Controller

Keith Jennings
IS Manager

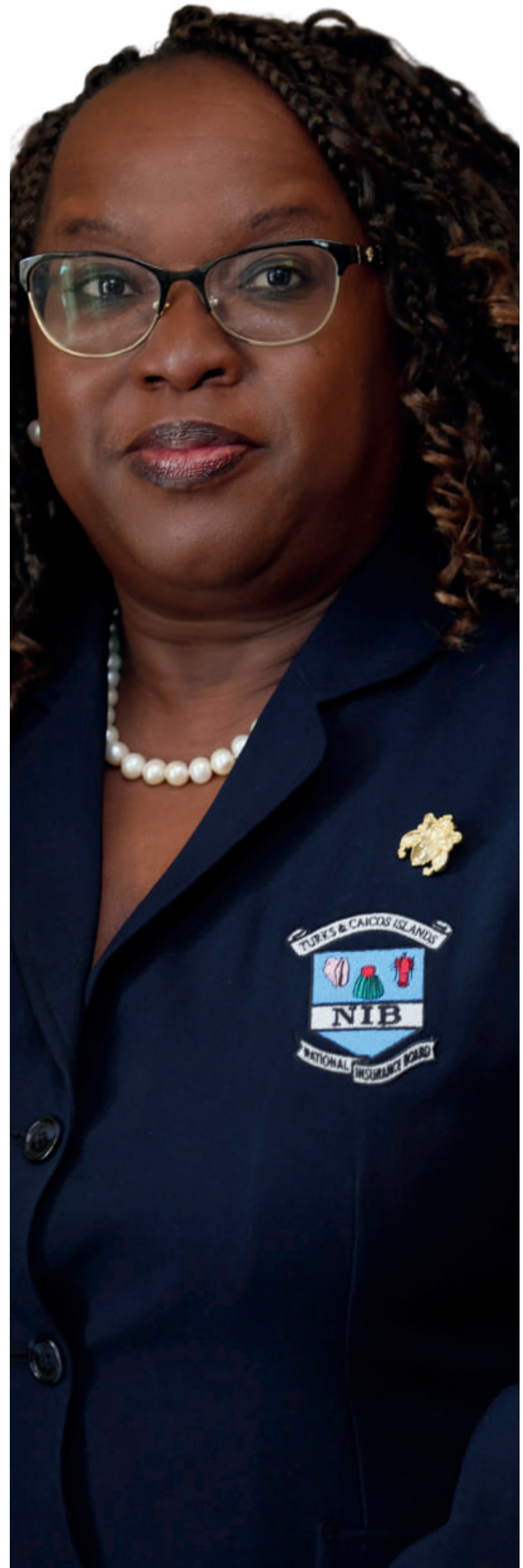
Dorean Williams
Marketing Manager

Cherrie Ingham
Research & Business Analyst

Vanessa Kennedy
HR Manager

Christa Quelch
Benefits Manager

Michael Dean
Compliance Manager



Rhesa Cartwright-Rolle
CEO

COMMITTEES OF THE BOARD

BOARD MEMBERS AS AT MARCH 31, 2025

Trevor Cooke	Chairman
Joseph Connolly	Deputy Chairman
Floyd Seymour	Employer Representative
Zaneta Burton	Government Representative
Danitra Clare	Insured Person Representative
Jermaine Fulford	Insured Person Representative
Athenee Harvey-Basden	Government Representative

BOARD COMMITTEES AS AT MARCH 31, 2025

AUDIT COMMITTEE

Trevor Cooke	NIB Chairman
Floyd Seymour	Chairman
Jermaine Fulford	Member
CEO	Ex-officio
Internal Auditor	Ex-officio

BUDGET COMMITTEE

Joseph Connolly	Chairman
Trevor Cooke	NIB Chairman
Zaneta Burton	Member
Shernelle Capron	Member
Sherlin Forbes	Member
CEO	Ex-officio
Financial Controller	Ex-officio

INVESTMENT COMMITTEE

Joseph Connolly	Chairman
Trevor Cooke	NIB Chairman
Floyd Seymour	Member
Kenrick Walters	Member
Sandy Lightbourne	Member
Audley Higgs	Ex-officio
CEO	Ex-officio
Investment Manager	Ex-officio
Financial Controller	Ex-officio

TENDER COMMITTEE

Trevor Cooke	Chairman
Zaneta Burton	Chairman
Danitra Clare	Member
CEO	Ex-officio
Financial Controller	Ex-officio

HR COMMITTEE

Danitra Clare	Chairman
Trevor Cooke	NIB Chairman
Zaneta Burton	Member
CEO	Ex-officio
Melanie Smith	Member
Linda Williams	Member

BUILDING COMMITTEE

Trevor Cooke	Chairman
Jermaine Fulford	Member
Mark McAulay	TCIG Rep
CEO	Ex-officio
Financial Controller	Ex-officio

GRIEVANCE COMMITTEE

Zaneta Burton	Chairman
Floyd Seymour	Member
Danitra Clare	Member
Brook Capron	Member
Claudia Been-Mullings	Member

PERIOD IN REVIEW

YEARS ENDED
MARCH 31, 2024 & MARCH 31, 2025

FINANCIAL STABILITY & SUSTAINABILITY

OVERVIEW

At the NIB, our foremost measure of success is our ability to meet benefit obligations accurately and on time. This mandate remains the foundation of our operations and the clearest indicator of system strength.

Over the five-year period 2021–2025, contribution collections increased by an average 30% per year, while benefit payments grew at a more moderate average rate of 13% per year.

In the two-year contribution income amounted to $150.6M. For financial year 2025 alone, contribution income amounted to $82.5M, coming in 19% over budget. This performance resulted in contribution income covering current benefit obligations at nearly twice the required level, underscoring the robustness and financial soundness of the system.

Actuarial projections of cash flows further affirm this position. For the forecast period 2022–2027, the NIB remains well aligned with projected contribution income, benefit expenditure, administrative costs, and reserve targets.

From a position of surplus, the NIB continues to prudently allocate excess collections to its reserves. As at the end of the reporting period, total reserves stood at $563.8M, representing a 37% increase since the previous report. Based on this, it is estimated that if there are no future contributions or entrants into the system, there will be sufficient funds to pay expenses for 12-13 years.

These results confirm the adequacy of the current contribution rate and demonstrate the system's capacity to sustainably deliver reliable social protection in both the short and medium term.

FINANCIAL HIGHLIGHTS:

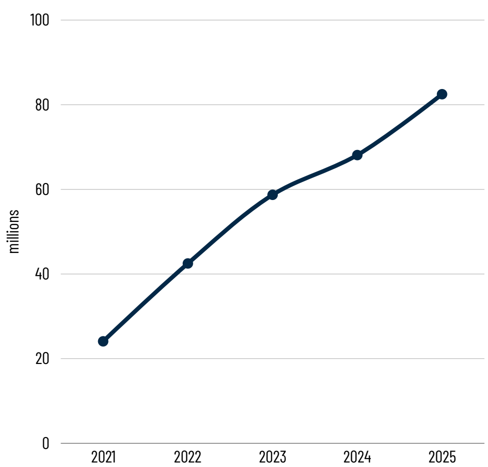
$150.6M
Contribution income over reporting period

30%
Avg. increase in contribution income over 5-year period

$75.5M
Benefit payments over reporting period

$563.8M
Total Reserves

CONTRIBUTION INCOME TREND



5-Year trend in contribution income

REVENUE PERFORMANCE

Contribution income remains the principal driver of the system's financial strength. Revenue growth was supported by two key factors: expanded participation (i.e. more people entering and contributing to the system) and the implementation of revised contribution rates. During the reporting period, more than 6,000 new registrants entered the system, expanding the contributor base and strengthening coverage. The NIB continued to implement its phased increase of the contribution rate which moved to 12% from 10% at the beginning of the period. This combination of coverage-driven and rate-driven growth reinforces the system's revenue stability and enhances its long-term sustainability.

BENCHMARK PERFORMANCE

Benefit expenditure increased at an average annual rate of 18% over the two-year period, while administrative expenses increased at an average annual rate of 14%. As a performance indicator, the NIB benchmarks its financial performance to that of industry standards. The NIB's strategic benchmark for administrative efficiency is 8.5% and performance against this at financial year end 2024 and 2025 was 6.73% and 6.82% respectively. This indicates efficient containment of expenses and responsible management of resources.

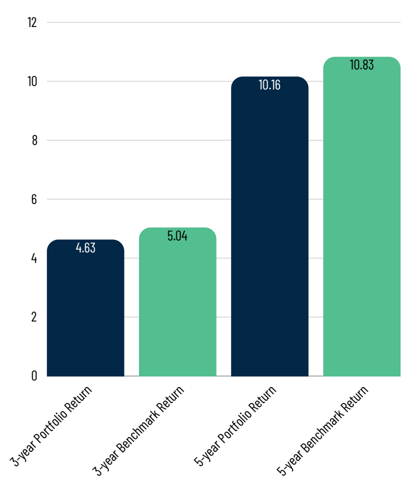
KEY SUSTAINABILITY INITIATIVES

The 10th Actuarial Review concluded during the 2022-2023 financial year and included certain key recommendations for fund sustainability and benefit relevancy. As the system was projected to be financially sound and current contribution rate to be adequate, no recommendations were made to increase the insurable earnings ceiling (which remains at $48,000 per annum). The contribution rate increase from the 9th Actuarial Review recommendations continued to be implemented over a 3-year period beginning April 1, 2022.

The recommendations that were made and implemented from the 10th Review were with respect to benefit sufficiency. Pensions-in-pay were awarded increases from 3.4% to 13.2% depending on the award year, minimum pensions as well as grants and non-contributory old age pensions were also increased to maintain their value in relation to the cost of living and the general level of earnings. These came into effect January 1, 2023.

INVESTMENT PERFORMANCE

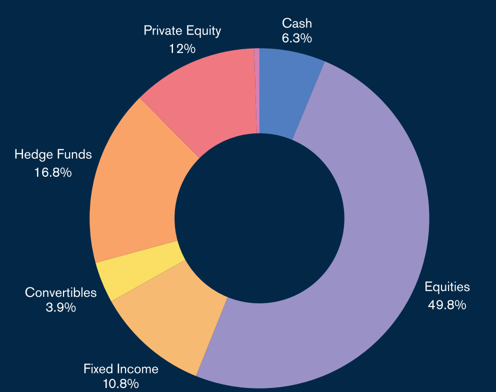
Surpluses are channeled through to the investment fund to strengthen reserves. The NIB maintains a moderately aggressive investment posture, with a strategic allocation tilted toward growth-oriented assets to enhance long-term returns while managing risk appropriately. During the period, portfolio performance was characterized by strong equity market performance and easing inflation, then heightened volatility, shifting monetary policies and geopolitical uncertainties. The diversification of the portfolio across asset classes and styles supported performance during the period. The portfolio generated $58.9M in investment income and a positive return of 19.8% over the two-year period but slightly underperformed the established performance benchmarks, however contributing meaningfully to overall fund stability. The historic performance of the Fund demonstrates the prudent management of surplus funds with a 3-year return of 4.63% and a 5-year return of 10.16%, both slightly underperforming the portfolio benchmark.



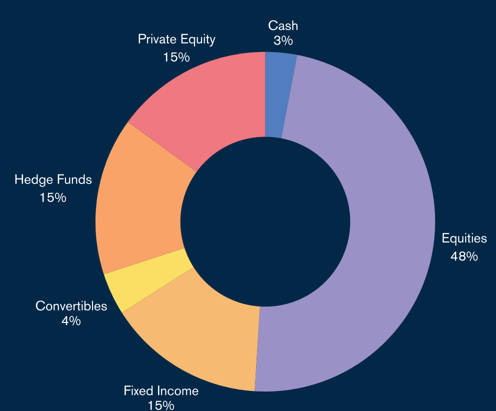
INVESTMENT FUND FACTS:

Beginning Portfolio Value	$**450,622,961**
Net Contributions	$57,213,508
Investment Income	$25,960,577
Fees & Taxes	$(4,730,901)
Change in Market Value	$69,303,661
Ending Portfolio Value	**$598,369,806**

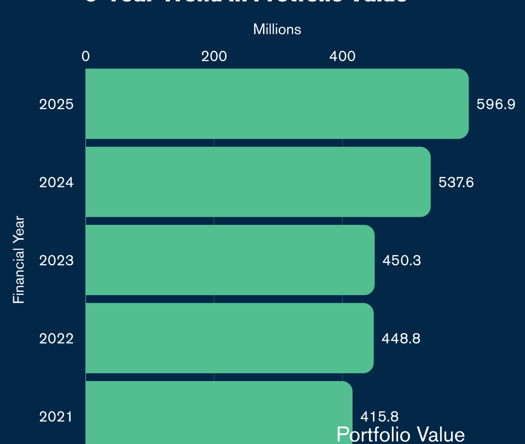
FY2025 Asset Allocation



Target Allocation



5-Year Trend in Protfolio Value



Periodic portfolio rebalancing exercises were undertaken to ensure continued alignment with the approved Strategic Asset Allocation, thereby safeguarding the integrity and long-term objectives of the Fund. By the end of FY2025, all asset classes were in line with their strategic ranges and incorporated some tactical positioning recommended by the investment consultant to take advantage of market opportunities. The Fund added 13 new fund managers to the portfolio and liquidated four during the two-year period. These managers were all in the private equity and hedge fund sleeve. Total fees recognized for fund managers and consultants during the period totaled $4.73M.

GOVERNANCE, CONTROLS & ASSURANCE

The NIB remains steadfast in its commitment to fairness, transparency, and accountability in the administration of the system. Robust internal controls and oversight mechanisms continue to underpin operational integrity.

During the two-year period, the Board completed an independent audit of its 2024 and 2025 financial statements and received a clean, unqualified audit opinion. This outcome reflects the strength of the NIB's governance framework, financial reporting standards, and risk management practices.

The Board remained committed to strengthening the NIB's cybersecurity posture in light of the evolving complexity of the NIB's information infrastructure and increasing incidences of cyber events globally. As such, a Terms of Reference for a comprehensive cybersecurity assessment was approved with work to commence in the 2025-2026 financial year.

The Board of Directors approved a Funding Policy as part of its fiduciary responsibility to ensure the continued financial sustainability of the system. This policy establishes a framework for the funding of NIB benefits ensuring that sufficient income is generated to cover branch expenses, reserves are managed in an orderly and risk appropriate way and that guidance is given to the Board for consideration of changes as may be recommended in the triennial actuarial valuations. This policy not only strengthens the financial stability of the system, but promotes transparency and accountability in the financing of the system.

BENEFIT COVERAGE & ACCESSIBILITY

The National Insurance Board provides a social safety net to the working population of the Turks & Caicos Islands and their dependents. Income replacement in vulnerable times becomes a core pillar of this protection for communities. With the mandate to provide coverage and access, the NIB requires that all persons between ages 16-65 engaged in gainful employment in the Turks & Caicos Islands are registered promptly to ensure coverage is widespread and effective.

OPERATIONAL HIGHLIGHTS

24,128
Active Insured persons

3,041
Active Employers

6,065
New Registrations

+3,500
Pensioners

$4.5M
Collections from Compliance Efforts

17
Benefits

REGISTRATIONS

As part of the NIB's mandate to provide social protection to the citizens and residents of the Turks & Caicos Islands, the extension of coverage is of critical importance. Over the two-year period, coverage was expanded to 6,065 individuals through new registrations, with the 60% being male and 40% being female. There were also 1,247 new employers registering over the two-year period. By the end of FY2025 there were 24,128 active insured persons, 951 active self-employed persons and 3,041 active employers in our database.

The NIB offers a comprehensive suit of benefits to its contributors. These are categorized into the short-term branch, which includes those benefits payable for periods of expected short-term loss of income, the long-term branch which includes most pensions and long-term related grants, and the employment injury branch which includes benefits payable for work-related accidents. This suite of benefits provides a wide safety net for most scenarios requiring income replacement. During the two-year period, the NIB approved 5,357 claims valuing $75.47M. Strong upward growth in benefit payments were seen over the 5-year period (2021-2025) largely driven by retirement pensions which dominate the system. Most benefits show moderate increases, but a few shows sharp fluctuations due to legislative amendments and backlog payments.

LONG-TERM BRANCH

The long-term branch of benefits represents the largest expenditure of the system, with retirement pensions comprising on average 89% of the branch's total expenditure.

Retirement pensions represent the greatest obligation of the NIB to its contributors. This benefit grew consistently and significantly over the past 5 years, from $14.2M in 2021 to $30.1M in 2025, which is more than doubling in 5 years. There were 3,547 persons receiving a pension from the NIB as of the end of FY2025, an increase of 10% from the last report. In terms of sustainability of this growth, this trend is characteristic of a maturing social security plan. While policy changes can make access to pensions easier, e.g. early access under age 65 years, imposing early access penalties balance out the financial burden.

The growth in retirement pensions is likely the effect of the ageing population and the relaxing of restrictions for early retirement applications which came about in August 2021. Since the amendment, the uptake in early retirement has been remarkable, from 104 early retirees at end of FY 2021 to 340 in 2025. Most pensioners are higher wage earners, however, the number of minimum pension pensioners receiving $460 per month was 850 by end of FY2025.

EFFICIENCY:

1,383

Claims Approved

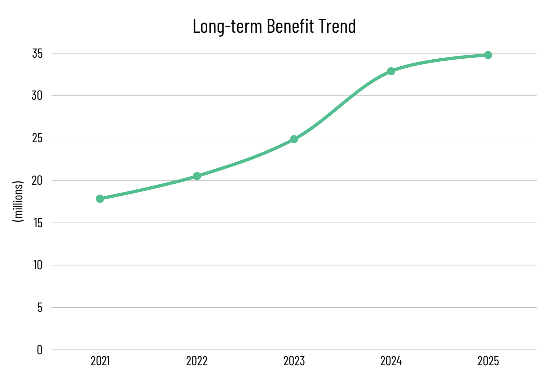
$67.7M

Total Value of Claims

Survivors Pensions represent long-term payments to the survivors of insured persons that would've qualified for either a retirement pension or an invalidity pension at the time of their death. Growth in this benefit has been moderate but steady, but with a sharp spike in 2024 primarily due to back payments from a clarification of legislation rules. By end of FY2025, payments under this head totalled $2.4M.

An important legislative amendment was made to the survivor's benefit (child's pension) in January 2025 to bring equity and fairness to all children of a deceased parent, whether living or in utero. This amendment extended coverage to children who were conceived but unborn at the date of the death of their father (the relevant insured person).

Invalidity pensions represent on average around 4% of the long-term branch expense and has maintained a stable and predictable trend consistent with the rise in non-communicable diseases that we have been experiencing nationwide. While not a major cost in the long-term branch during this time, trends are monitored closely for forecasting.



BENEFIT HIGHLIGHTS

SHORT-TERM BRANCH

The short-term branch represented only 8.4% of total benefit payments made to beneficiaries over the two-year period, and payments totaled $6.32M. These payments are relatively smaller in overall value than the long-term branch, but their impact is just as great. The NIB approved over 3,427 short-term claims during the period, the highest of all the branches, attesting to the great need and benefit of short-term income replacement for life events such as sickness and maternity.

EFFICIENCY:

6,279
Claims Approved

$6.32M
Total Value of Claims

EMPLOYMENT INJURY BRANCH

The employment injury branch provides protection in cases of injury or death for employment related accidents. Historically, this branch represents the smallest part of the total benefit expenditure, representing less than 2% over the reporting period. Year-over-year trends are steady and predictable with the most fluctuations in the Injury benefit.

Table showing benefit expenditure by branch over a 5-year period

	2025	2024	2023	2022	2021
Short-term Branch	3,318,624	3,002,180	2,757,455	2,209,283	6,131,718
Long-term Branch	34,784,151	32,878,462	24,861,633	20,502,891	17,840,851
Employment Injury Branch	800,851	685,748	649,553	653,291	593,910
Total	**$38,903,626**	**$36,566,390**	**$28,268,641**	**$23,365,465**	**$24,566,479**

PEOPLE & CULTURE

DEMOGRAPHICS & KEY METRICS

55
Staff Members

14 YRS
Average Tenure

36%
Male

64%
Female

83%
Average Performace Appraisal Score

44%
Staff with at least a Bachelors degree

Our staff are the engine that drives the NIB. With 11 distinct departments, our staff focus on critical areas of service delivery to the people of the Turks & Caicos Islands. At the end of FY2025, the NIB employed 55 persons across these departments. During the two-year period, there were 14 staff members receiving awards for 10, 15, 20, 25 and 30 years of service milestones. With an average tenure of 14 years, our staff exemplify commitment and dedication to the mandate of the NIB.

TRAINING & DEVELOPMENT

Continuous learning and training opportunities were extended organization wide throughout the period in an effort to build high-performing teams with competent, professional staff committed to excellence. Training was completed in the following areas:

- Risk Management
- Governance
- Artificial Intelligence
- Public Sector Accounting
- Cybersecurity Awareness
- Case File Policy training
- Leadership
- Customer Service
- Strategic Planning
- CARICOM Regional workshops
- ISSA Regional Conferences

STAFF PROMOTIONS

ZOE SAUNDERS

Ms. Zoe Saunders was employed with the NIB from August 2014 starting as an Intern within our Accounts Department. Since her employment, she has held the positions of Accounting Clerk and Assistant Accountant. Her qualifications include Bachelor of Science in Accounting & Finance, Bachelor of Science in Finance & Management and Associate in Administration & Management. Ms. Saunders is also studying to sit the ACCA exam.

Accountant

Investment Officer

DOMINIQUE ELLIOTT

Miss Elliott has been with the NIB since March 2022 where she began as the Customer Reconciliation Officer, now promoted to Investment Officer. Prior to joining the NIB, Miss Elliott worked as Junior Accountant for the Wine Cellar. She holds a bachelor's degree in finance & management and is currently pursuing a Master in Business Administration.

SONOVIA CLARE

Ms. Sonovia Clare was previously employed in the capacity of Compliance Officer since February 2009. She holds MBA and a Bachelor degree in Business Administration.

Senior Compliance Officer

LONG SERVICE AWARDEES

Laquille Robinson

Dorian Garland

Andrenique Ewing

Emily Parker

Congratulations

John Ewing

Sonovia Clare

Nahshon Braithwaite

Patricia Dunbar

Michael Dean

Karen Gardiner

Rowena Roberts

Almonda Ingham

Dorean Williams

Rhesa Cartwright

STATEMENT OF INTERNAL CONTROLS

FOR YEARS ENDED
MARCH 31, 2024 & MARCH 31, 2025

Turks & Caicos Islands
National Insurance Board

Head Office
P. O. Box 250
Grand Turk
Turks & Caicos Islands
British West Indies
Tel: (649) 946-1048/9
Fax: (649) 946-1362

Providenciales Branch Office
P. O. Box 283
Providenciales
Turks & Caicos Islands
British West Indies
Tel: (649) 941-5806/5906
Fax: (649) 941-5854

South Caicos Branch Office
General Delivery
South Caicos
Turks & Caicos Islands
British West Indies
Tel: (649) 946-3280
Fax: (649) 946-3664

North Caicos Branch Office
General Delivery
North Caicos
Turks & Caicos Islands
British West Indies
Tel: (649) 946-7200
Fax: (649) 946-7100

OUR REF:

STATEMENT ON INTERNAL CONTROL

YOUR REF:

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the National Insurance Board policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Public Finance Management Ordinance.

The Internal Controls of the National Insurance Board (NIB) are all the Policies and Procedures that the NIB has designed to give reasonable assurance regarding the achievement of organizational objectives in the following areas:

- Reliability of Financial Reporting
- Operational effectiveness and efficiency
- Compliance with applicable laws and regulation

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritize the risks to the achievement of NIB policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the NIB for the year ended 31, March 2025 and up to the date of approval of the annual report and accounts.

The NIB has developed a system of internal control that not only includes policies and procedures but also includes control activities which fall into two categories, namely that of prevention and detection. These activities are applied throughout the organization at all levels to the various functions and processes and include the following:

- Authorization
- Documentation

- Reconciliation
- Security
- Segregation of duties

Capacity to Manage Risk and the Risk Control Framework

The NIB has developed an operational Risk Register Report based on the risk(s) associated with its key performance strategies. This report highlights the cause and effect of each risk identified in the organization and the likelihood of its occurrence. In addition, it provides information on the remedial action being undertaken by the organization to address the risk both in the short term as well as in the future. This report is presented to the Board of Directors each quarter. Following approval by the Board of Directors the report is sent to the Permanent Secretary in the Ministry of Education, Labour, Employment and Customer Service.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditor and the executive managers within the National Insurance Board, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The effectiveness of the internal control system is reviewed via our current governance processes, and these include:

- Monthly management reports to the Board of Directors
- Quarterly Risk Register Report
- Monthly Internal Auditors reports to the Board of Directors
- Audit committee Reports to the Board
- Annual External Audit and Management Letter

I am therefore satisfied based upon the reviews conducted that the control environment of the NIB has been effective for the year ended March 2025. Where areas of weaknesses have been identified management has made the necessary adjustments and changes to strengthen the internal controls thus improving the overall effectiveness of the system of controls.

Rhesa Cartwright-Rolle
Director/CEO
Date: July 3, 2025

Head Office	Providenciales Branch Office	South Caicos Branch Office	North Caicos Branch Office
P. O. Box 250	P. O. Box 283	General Delivery	General Delivery
Grand Turk	Providenciales	South Caicos	North Caicos
Turks & Caicos Islands	Turks & Caicos Islands	Turks & Caicos Islands	Turks & Caicos Islands
British West Indies	British West Indies	British West Indies	British West Indies
Tel: (649) 946-1048/9	Tel: (649) 941-5806/5906	Tel: (649) 946-3280	Tel: (649) 946-7200
Fax: (649) 946-1362	Fax: (649) 941-5854	Fax: (649) 946-3664	Fax: (649) 946-7100

OUR REF:

STATEMENT ON INTERNAL CONTROL

YOUR REF:

Scope of Responsibility
As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the National Insurance Board policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Public Finance Management Ordinance.

The Internal Controls of the National Insurance Board (NIB) are all the Policies and Procedures that the NIB has designed to give reasonable assurance regarding the achievement of organizational objectives in the following areas:

- Reliability of Financial Reporting
- Operational effectiveness and efficiency
- Compliance with applicable laws and regulation

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritize the risks to the achievement of NIB policies, aims and objectives, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in the NIB for the year ended 31, March 2025 and up to the date of approval of the annual report and accounts.

The NIB has developed a system of internal control that not only includes policies and procedures but also includes control activities which fall into two categories, namely that of prevention and detection. These activities are applied throughout the organization at all levels to the various functions and processes and include the following:

- Authorization
- Documentation

- Reconciliation
- Security
- Segregation of duties

Capacity to Manage Risk and the Risk Control Framework

The NIB has developed an operational Risk Register Report based on the risk(s) associated with its key performance strategies. This report highlights the cause and effect of each risk identified in the organization and the likelihood of its occurrence. In addition, it provides information on the remedial action being undertaken by the organization to address the risk both in the short term as well as in the future. This report is presented to the Board of Directors each quarter. Following approval by the Board of Directors the report is sent to the Permanent Secretary in the Ministry of Education, Labour, Employment and Customer Service.

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I am therefore satisfied based upon the reviews conducted that the control environment of the NIB has been effective for the year ended March 2025. Where areas of weaknesses have been identified management has made the necessary adjustments and changes to strengthen the internal controls thus improving the overall effectiveness of the system of controls.

Rhesa Cartwright-Rolle
Director/CEO
Date: June 27, 2024

FINANCIAL STATEMENTS

OF THE

TURKS & CAICOS ISLANDS NATIONAL INSURANCE BOARD

YEARS ENDED

MARCH 31, 2024 & MARCH 31, 2025

Financial Statements of

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Year ended March 31, 2025

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Financial Statements

Year ended March 31, 2025

Baker Tilly Ltd.
18 The Village at Grace Bay
PO Box 357
Providenciales
Turks and Caicos Islands
B.W.I.

T: +649 946 4613

admin@bakertilly.tc
www.bakertilly.tc

INDEPENDENT AUDITORS' REPORT

To the Directors of the Turks and Caicos Islands National Insurance Board:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Turks and Caicos Islands National Insurance Board (NIB), which comprise the statement of financial position as at March 31, 2025, the statements of income, expenses and reserves, changes in reserves and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NIB as at March 31, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 NIB 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 13 to these financial statements.

For promised retirement benefits NIB has elected to apply International Accounting Standard 26, '*Accounting and Reporting by Retirement Benefit Plans'*, as its accounting policy for these benefits, which requires the actuarial present value of promised retirement benefits to be recognised on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has chosen to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements.

Emphasis of Matter, continued

NIB's last two actuarial reviews were at March 31, 2025 and March 31, 2022. The actuarial present value of promised retirement benefits was US$1.061 billion at March 31, 2025 (2022: US$787 million). NIB had total reserves of US$564 million at March 31, 2025 (2022: US$418 million). At March 31, 2025 there was therefore a shortfall of US$497 million (2022: US$369 million) between the total reserves and the actuarial present value of promised retirement benefits.

In May 2023, the Board of NIB approved and implemented NIB's Funding Policy. NIB adopted three different funding methods. The Partially Funded Method is considered to be NIB's primary funding method as it has been adopted for the Long-Term Benefit Branch which dominates the National Insurance Fund. The Pay-as-you-Go with a reserve Method has been adopted for the Short-Term Benefit Branch and for certain benefits of the Employment Injury Branch. The Full Funded Method has been adopted for the Employment Injury Branch for long-term risks. More information on the Funding Policy can be found at note 14(b) to these financial statements.

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 as issued by the IASB, 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 NIB'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 NIB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NIB'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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements, continued

- 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 NIB'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 NIB'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 NIB 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Turks and Caicos Islands' National Insurance Act 1991 and National Insurance (Financial and Accounting) Regulations (hereafter referred to collectively as 'the Act'), we confirm that the presentation, structure and content of the financial statements of NIB as at March 31, 2025 and for the year then ended are consistent with the requirements of the Act.

Intended Use of Report

This report is intended solely for the information and use of the Minister of Finance of the Turks and Caicos Islands Government (TCIG), TCIG's legislative body and the Directors of NIB and should not be relied on by anyone other than these specified parties.

Baker Tilly Ltd.

Chartered Accountants

Providenciales, Turks and Caicos Islands

November 27, 2025

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Financial Position

At March 31, 2025
with comparative figures at March 31, 2024

		2025	2024
Assets			
Current assets:			
Cash and cash equivalents (note 5)	US$	45,270,258	29,845,322
Contributions and other receivables (note 6)		10,456,028	9,096,487
Short-term investments (note 7)		17,135,573	13,516,440
Prepaid expenses		155,578	217,542
		73,017,437	52,675,791
Non-current assets:			
Financial assets measured at fair value through other comprehensive income (FVOCI) (note 8)		530,969,443	489,891,771
Long-term receivable (note 9)		5,000,000	5,000,000
Property and equipment (note 10)		6,578,299	6,512,353
Intangible asset (note 23(b))		810,900	636,073
		543,358,642	502,040,197
	US$	616,376,079	554,715,988
Liabilities and Reserves			
Current Liabilities:			
Accounts payable and accrued expenses (note 11)	US$	1,366,741	953,290
Accrued survivors' benefits (note 12)		936,527	1,341,839
		2,303,268	2,295,129
Non-current liabilities:			
Provisions for long-term benefits, other than promised retirement benefits (note 13)		50,300,000	48,821,000
		52,603,268	51,116,129
Reserves:			
Long-term benefit branch		367,420,540	330,184,157
Short-term benefit branch		89,228,483	75,355,162
Employment injury benefit branch			
Disablement and death benefit		106,933,382	97,911,982
Employment injury benefit (note 14)		190,406	148,558
		563,772,811	503,599,859
	US$	616,376,079	554,715,988

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on behalf of the Board of Directors on November 27, 2025 by the following:

Trevor Cooke Chairman   Jermaine Fulford Member

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserves

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

		2025	2024
Income:			
Contributions:			
Private sector	US$	77,284,645	63,629,038
Civil servants		3,354,923	2,911,162
Self employed		1,844,146	1,565,866
Voluntary		2,845	142
		82,486,559	68,106,208
Income from, and net realised gains on, financial assets measured at FVOCI (note 15)		14,913,131	8,790,766
Interest and other income (note 16)		1,199,816	1,056,864
Surcharges (note 6)		1,313,388	1,026,124
		99,912,894	78,979,962
Expenses:			
Benefits (note 17)		(38,903,626)	(36,566,390)
General and administrative expenses (note 18)		(8,123,431)	(6,928,205)
Investment expenses (note 19)		(2,492,978)	(2,237,923)
Change in provisions for long-term benefits, other than promised retirement benefits (note 13)		(1,479,000)	(177,000)
		(50,999,035)	(45,909,518)
Net income before other comprehensive income		48,913,859	33,070,444
Other comprehensive income:			
Net realised gain on equity securities at FVOCI		22,935,084	10,095,119
Net change in fair value of financial assets measured at FVOCI (note 20)		(11,675,991)	47,949,449
		11,259,093	58,044,568
Net income for year	US$	60,172,952	91,115,012
Net income for year transferred to:			
Long-term benefit branch reserve	US$	37,236,383	55,920,260
Short-term benefit branch reserve		13,873,321	17,300,014
Employment injury benefit reserve		41,848	(16,664)
Disablement and death benefit reserve		9,021,400	17,911,402
	US$	60,172,952	91,115,012

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserve
Long-Term Benefit Branch

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

		2025	2024
Income:			
Contributions:			
Private sector	US$	56,207,014	46,275,664
Civil servants		2,644,275	2,294,512
Self employed		1,639,241	1,391,881
Voluntary		2,845	142
		60,493,375	49,962,199
Income from, and net realised gains on, financial assets measured at FVOCI		9,777,762	5,845,038
Surcharges		902,954	705,460
Interest and other income		786,657	702,716
		71,960,748	57,215,413
Expenses:			
Benefits (note 17)		(34,784,151)	(32,878,462)
General and administrative expenses		(5,442,699)	(4,641,897)
Investment expenses		(1,634,515)	(1,488,010)
Change in provisions for long-term benefits, other than promised retirement benefits (note 13)		(245,000)	(881,000)
		(42,106,365)	(39,889,369)
Net income before other comprehensive income		29,854,383	17,326,044
Other comprehensive income:			
Net realised gain on equity securities at FVOCI		15,037,338	6,712,311
Net change in fair value of financial assets measured at FVOCI		(7,655,338)	31,881,905
		7,382,000	38,594,216
Net income for year	US$	37,236,383	55,920,260

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserve
Short-Term Benefit Branch

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

		2025	2024
Income:			
Contributions:			
Private sector	US$	14,051,754	11,568,916
Civil servants		380,114	329,836
Self employed		204,905	173,985
		14,636,773	12,072,737
Income from, and net realised gains on, financial assets measured at FVOCI		2,231,497	1,237,256
Surcharges		213,426	166,745
Interest and other income		179,532	148,748
		17,261,228	13,625,486
Expenses:			
Benefits (note 17)		(3,318,624)	(3,002,180)
General and administrative expenses		(1,380,983)	(1,177,795)
Investment expenses		(373,032)	(314,976)
		(5,072,639)	(4,494,951)
Net income before other comprehensive income		12,188,589	9,130,535
Other comprehensive income:			
Net realised gain on equity securities at FVOCI		3,431,846	1,420,837
Net change in fair value of financial assets measured at FVOCI		(1,747,114)	6,748,642
		1,684,732	8,169,479
Net income for year	US$	13,873,321	17,300,014

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserves
Employment Injury Benefit Branch

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

		2025	2024
Income:			
Contributions:			
Private sector	US$	7,025,877	5,784,458
Civil servants		330,534	286,814
		7,356,411	6,071,272
Income from, and net realised gains on, financial assets measured at FVOCI		2,903,872	1,708,472
Interest and other income		233,627	205,400
Surcharges		197,008	153,919
		10,690,918	8,139,063
Expenses:			
General and administrative expenses		(1,299,749)	(1,108,513)
Change in provisions for long-term benefits, other than promised retirement benefits (note 13)		(1,234,000)	704,000
Benefits (note 17)		(800,851)	(685,748)
Investment expenses		(485,431)	(434,937)
		(3,820,031)	(1,525,198)
Net income before other comprehensive income		6,870,887	6,613,865
Other comprehensive income:			
Net realised gain on equity securities at FVOCI		4,465,900	1,961,971
Net change in fair value of financial assets measured at FVOCI		(2,273,539)	9,318,902
		2,192,361	11,280,873
Net income for year	US$	9,063,248	17,894,738
Net income for year transferred to:			
Employment injury benefit reserve	US$	41,848	(16,664)
Disablement and death benefit reserve		9,021,400	17,911,402
	US$	9,063,248	17,894,738

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Changes in Reserves

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

			Employment Injury Benefit Branch		
	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment injury benefit	Disablement and death benefit	Total
	US$	US$	US$	US$	US$
Balance at April 1, 2023	274,263,897	58,055,148	165,222	80,000,580	412,484,847
Transfer from net income for year	55,920,260	17,300,014	(16,664)	17,911,402	91,115,012
Balance at March 31, 2024	330,184,157	75,355,162	148,558	97,911,982	503,599,859
Balance at April 1, 2024	330,184,157	75,355,162	148,558	97,911,982	503,599,859
Transfer from net income for year	37,236,383	13,873,321	41,848	9,021,400	60,172,952
Balance at March 31, 2025	367,420,540	89,228,483	190,406	106,933,382	563,772,811

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Cash Flows

Year ended March 31, 2025
with comparative figures for year ended March 31, 2024

		2025	2024
Cash flows from operating activities:			
Net income before other comprehensive income	US$	48,913,859	33,070,444
Adjustments for:			
Gain on disposal of property and equipment (note 10)		(5,500)	(3,000)
Depreciation of property and equipment (note 10)		353,660	309,586
Interest income (note 16)		(1,033,492)	(895,143)
Brokers' fees on financial assets measured at FVOCI (note 19)		2,450,978	2,195,763
Income from, and net realised gains on, financial assets measured at FVOCI (note 15)		(14,913,131)	(8,790,766)
		35,766,374	25,886,884
Changes in operating assets:			
Change in contributions and other receivables, net of interest receivable (net)		(1,281,853)	(1,744,198)
Change in prepaid expenses		61,964	40,352
Changes in operating liabilities:			
Change in accounts payable and accrued expenses		413,451	(19,782)
Change in accrued survivors' benefits		(405,312)	1,341,839
Change in provisions for long-term benefits, other than promised retirement benefits		1,479,000	177,000
Net cash from operating activities		36,033,624	25,682,095
Cash flows used in investing activities:			
Change in short-term investments		(3,619,133)	(3,585,584)
Net additions to financial assets measured at FVOCI		(209,056,956)	(74,719,845)
Net proceeds from financial assets measured at FVOCI		191,700,530	46,826,423
Interest income received		955,804	647,240
Additions to property and equipment		(419,606)	(4,326,589)
Proceeds from disposal of property and equipment		5,500	3,000
Additions to intangible asset		(174,827)	(239,052)
Collection of long-term deposits		–	1,218,614
Net cash used in investing activities		(20,608,688)	(34,175,793)
Net increase/(decrease) in cash and cash equivalents		15,424,936	(8,493,698)
Cash and cash equivalents at beginning of year		29,845,322	38,339,020
Cash and cash equivalents at end of year	US$	45,270,258	29,845,322

The accompanying notes are an integral part of these financial statements.

1. General information

The Turks and Caicos Islands National Insurance Board (NIB) is a body corporate established in the Turks and Caicos Islands (TCI) on April 6, 1992 pursuant to section 27 of the National Insurance Act 1991 (the Act), as revised. NIB's primary purpose is to control and manage the National Insurance Fund ("the Fund") established under section 46 of the Act so as to provide various benefits to persons insured under the Act.

NIB's registered office address is at the Hon. L. Headley Durham building, Grand Turk, TCI.

2. Basis of preparation

(a) Statement of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards, as issued by the International Accounting Standards Board (IASB), and with the requirements of the Act.

Details of NIB's material accounting policies are included at note 3.

These financial statements have been prepared on a fair value basis for all assets held for investment purposes and under the historical cost convention for all other assets and liabilities.

The methods used to measure fair values are discussed further at note 4.

(b) Functional and presentation currency

These financial statements are presented in United States (US) dollars, which is NIB's functional currency. All financial information presented in US dollars has been rounded to the nearest dollar, unless otherwise indicated.

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

2. Basis of preparation, continued

(c) Use of estimates and judgements, continued

- Note 3(f)(i) – Impairment, non-derivative financial assets
- Note 6 – Contributions and other receivables
- Note 13 – Actuarial review

These financial statements have been prepared on a going concern basis. No adjustments or reclassifications have been made that might be necessary if a basis of accounting other than a going concern basis were to be used.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's financial statement presentation.

(a) Non-derivative financial instruments

(i) Recognition and initial measurement

NIB initially recognises accounts receivable and debt securities on the date they are originated. All other financial assets and financial liabilities (including regular-way purchases and sales of financial assets) are initially recognised on the trade date when NIB becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.

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

3. Material accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets, continued

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

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

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

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

On initial recognition of an equity investment that is not held for trading, NIB may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

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

NIB has the following financial assets measured at amortised cost: cash and cash equivalents, contributions and other receivables, short-term investments and long-term receivable.

Cash and cash equivalents comprise cash at investment managers, cash at banks - savings and current accounts and cash on hand.

Cash equivalents are short-term highly liquid investments with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change of value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. Material accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets, continued

Contributions and other receivables comprise outstanding contributions from private employers and the self-employed, surcharges receivable, other receivables and interest receivable.

Financial assets – Business model assessment

NIB makes an assessment of the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to NIB's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior years, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with NIB's continuing recognition of the assets.

Financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and financial assets that are held for trading, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. Material accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time - e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features;
- terms that limit NIB's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the 'solely payments of principal and interest' criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in the statement of income, expenses and reserves. Any gain or loss on derecognition is also recognised in the statement of income, expenses and reserves.

3. Material accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets – Subsequent measurement and gains and losses, continued

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of income, expenses and reserves.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, realised gains and impairment are recognised in the statement of income, expenses and reserves. Other net gains and losses are recognised in other comprehensive income in the statement of income, expenses and reserves.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in the statement of income, expenses and reserves unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income in the statement of income, expenses and reserves.

Non-derivative financial liabilities – Classification, subsequent measurement and gains and losses

Non-derivative financial liabilities are classified as measured at amortised cost. These are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the statement of income, expenses and reserves. Any gain or loss on derecognition is also recognised in in the statement of income, expenses and reserves.

NIB's non-derivative financial liabilities are accounts payable and accrued expenses and accrued survivors' benefits.

(iii) Derecognition

Financial assets

NIB derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which NIB neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3. Material accounting policies, continued

(a) Non-derivative financial instruments, continued

(iii) Derecognition, continued

Financial assets, continued

NIB enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

NIB generally derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. NIB also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of income, expenses and reserves.

(iv) Offsetting

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

Income and expenses are presented on a net basis only when it is required or permitted by a standard.

(b) Provisions

A provision is recognised if, as a result of a past event, NIB has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Per IAS 26, NIB has an option as to whether it discloses the actuarial present value of promised retirement benefits on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report.

3. Material accounting policies, continued

(b) Provisions, continued

NIB has elected to disclose the actuarial present value of promised retirement benefits in a note to the financial statements (note 13). This actuarial present value is calculated every three years. The latest valuation was performed as at March 31, 2025.

The actuarial present value of long-term benefits, other than promised retirement benefits, is calculated annually by an independent actuary and was most recently quantified at March 31, 2025 (note 13) and recognised in NIB's financial statements in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and IAS 1, *Presentation of Financial Statements*.

(c) Property and equipment

(i) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and impairment losses (note 3(f)(ii)).

Cost includes expenditures that are directly attributable to the acquisition of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses arising from the disposal of property and equipment are reflected in the statement of income, expenses and reserves.

(ii) Subsequent costs

The cost of replacing an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to NIB and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property and equipment is recognised in the statement of income, expenses and reserves, as incurred.

(iii) Depreciation

Depreciation is recognised in the statement of income, expenses and reserves on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Freehold land is not depreciated.

3. Material accounting policies, continued

(c) Property and equipment, continued

(iii) Depreciation, continued

Estimated useful lives for the current and comparative periods are as follows:

Buildings	25 years
Leasehold land	Over term of the lease
Furniture & Fixtures	3-10 years
Computer Equipment	3-10 years
Motor Vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if necessary.

(d) Reserves

The TCI National Insurance (Financial and Accounting) Regulations (the Regulations) require benefits and reserves to be grouped into three separate benefit branches (the Benefit Branches) and four reserves, respectively, as follows:

(i) Long-Term Benefit Branch, comprising retirement benefit, invalidity pension, survivors' benefit, funeral grant and non-contributory old age pension.

A Long-Term Benefit Reserve is constituted by annually transferring the excess of income over expenses of the Long-Term Benefit Branch.

(ii) Short-Term Benefit Branch, comprising unemployment benefit, sickness benefit and maternity benefit.

A Short-Term Benefit Reserve is constituted by annually transferring the excess of income over expenses of the Short-Term Benefit Branch.

(iii) Employment Injury Benefit Branch, comprising injury benefit, disablement benefit, death benefit, death grant payable on death due to employment injury and medical care.

An Employment Injury Benefit Reserve is constituted to finance employment injury benefit, disablement grant, death grant and medical care by annually transferring that part of the net income of the Employment Injury Benefit Branch that is sufficient to maintain the level of the reserve at one-half of the amount paid for the said benefits in the two previous financial years.

(iv) After the aforementioned transfer to the Employment Injury Benefit Reserve has been made in accordance with the Regulations the remaining net income of the Employment Injury Benefit Branch is transferred annually to the Disablement and Death Benefit Reserve.

Further information on the allocation of income and expenses to the reserves is provided at note 3(e)(v).

3. Material accounting policies, continued

(e) Revenue and expense recognition

(i) Contribution and surcharge income

Contribution income is recognised on an accruals basis, at the requisite statutory rates, utilising employer monthly contribution statements, which are settled in arrears.

Surcharges are recognised on an accruals basis at the requisite statutory rates.

(ii) Rental income

Rental income is recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iii) Investment income

Investment income comprises interest income on funds invested (including financial assets measured at FVOCI), dividend income, gains on the disposal of financial assets measured at FVOCI and change in fair value of financial assets measured at FVOCI.

Interest income is recognised in the statement of income, expenses and reserves as it accrues, using the effective interest rate method.

Dividend income is recognised in the statement of income, expenses and reserves on the date that NIB's right to receive payment is established, which, in the case of quoted securities, is the ex-dividend date.

Gains or losses on the disposal of financial assets measured at FVOCI are included in the statement of income, expenses and reserves in the period in which they arise.

(iv) Benefits, general and administrative expenses

Expenditure on benefits is recognised when NIB's obligation to make a payment has been established, which is generally upon approval of a claim.

General and administrative expenses are recognised on an accruals basis.

Long-term benefits (other than provisions for long-term benefits), such as retirement pension, old age non contributory, survivors, invalidity pension, retirement, funeral and survivors grants are generally recognised upon approval of a claim subject to the provisions of sections 3(1), 54(1), 14(1), 7(1), 3(4), 20(1) and 14(2) of the TCI National Insurance (Benefit) Regulations (the Benefit Regulations), respectively.

3. Material accounting policies, continued

(e) Revenue and expense recognition, continued

(iv) Benefits, general and administrative expenses, continued

Short-term benefits (other than provisions for short-term benefits), such as unemployment, maternity allowance, sickness and maternity grants are generally recognised upon approval of a claim subject to the provisions of sections 29(1), 22(1) and 33(1) of the Benefit Regulations, respectively.

Employment injury benefits (other than provisions for employment injury benefits), such as disablement, death and injury are generally recognised upon approval of a claim subject to the provisions of sections 40(1), 45 and 35(1) of the Benefit Regulations, respectively.

As disclosed at notes 3(b), 3(i) and 13, NIB has elected to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements as permitted per IAS 26. An actuarial valuation is performed every 3 years. The latest valuation was performed as at March 31, 2025. Certain results of the actuarial valuation as at March 31, 2025 are disclosed further at note 13.

The actuarial present value of long-term benefits, other than promised retirement benefits, was quantified by an independent actuary at March 31, 2025 and 2024 (note 13) and recognised in NIB's financial statements in accordance with IAS 37.

(v) Basis of apportionment of income and expenses

The statutory rates of total contributions, which are applied on an employed and self-employed person's earnings and stipulated under sections 4, 14 and 19 of the TCI National Insurance (Contributions) Regulations (the Contributions Regulations), for the year ended March 31, 2025 were as follows: Civil Servants 11.15%; Private Sector (general) 12.00%; Private Sector (under section 4(3) of the Contributions Regulations) 2.50% and (under section 4(4) of the Contributions Regulations) 1.20%; Self Employed 10.00%; and Voluntary 10.00% (2024: Civil Servants 10.15%; Private Sector (general) 11.00%; Private Sector (under section 4(3) of the Contributions Regulations) 2.50% and (under section 4(4) of the Contributions Regulations) 1.20%; Self Employed 9.00%; and Voluntary 10.00%)

Sections 4(3) and 4(4) of the Contributions Regulations relate to the employment of a temporary resident and employment of an insured person sixty years and older and who is in receipt of a retirement pension whose contributions are payable at a rate of 2.5% and 1.20%, respectively, and not the standard 12% (2024: 11%) for all other private sector workers.

3. Material accounting policies, continued

(e) Revenue and expense recognition, continued

(v) Basis of apportionment of income and expenses, continued

Section 13(1) of the Regulations provides that the aforementioned total contribution and surcharge income (note 3(e)(i)) shall be allocated among the Benefit Branches as follows:

Year ended March 31, 2025

Contributions from:	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment Injury Benefit Branch
Civil Servants	9.00 / 11.15	1.15 / 11.15	1.00 / 11.15
Private Sector (general)	9.00 / 12.00	2.00 / 12.00	1.00 / 12.00
Private Sector (under section 4(3) of the Contributions Regulations)	–	1.30 / 2.50	1.20 / 2.50
Private Sector (under section 4(4) of the Contributions Regulations)	–	–	1.20 / 12.00
Self Employed	9.00 / 10.00	1.00 / 10.00	–
Voluntary	10.00 / 10.00	–	–

Year ended March 31, 2024

Contributions from:	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment Injury Benefit Branch
Civil Servants	8.00 / 10.15	1.15 / 10.15	1.00 / 10.15
Private Sector (general)	8.00 / 11.00	2.00 / 11.00	1.00 / 11.00
Private Sector (under section 4(3) of the Contributions Regulations)	–	1.30 / 2.50	1.20 / 2.50
Private Sector (under section 4(4) of the Contributions Regulations)	–	–	1.20 / 11.00
Self Employed	8.00 / 9.00	1.00 / 9.00	–
Voluntary	10.00 / 10.00	–	–

Section 13(2) of the Regulations provides that income from investment of reserves shall be allocated to the Benefit Branches in proportion to the amount of the reserve of each Benefit Branch at the beginning of the respective year.

3. Material accounting policies, continued

(e) Revenue and expense recognition, continued

(v) Basis of apportionment of income and expenses, continued

Investment income and expenses for the year ended March 31, 2025 and 2024 were allocated as follows:

	2025	2024
Long-Term Benefit Branch	65.57%	66.49%
Short-Term Benefit Branch	14.96%	14.07%
Employment Injury Benefit Branch	19.47%	19.44%
	100.00%	100.00%

Section 14(1) of the Regulations provides that expenditure on each benefit shall be ascribed to the appropriate branch.

Section 14(2) of the Regulations provides that the administrative expenditure of NIB shall be distributed among the Long-Term Benefit Branch, Short-Term Benefit Branch and Employment Injury Benefit Branch in the proportion of 67%, 17% and 16%, respectively.

(f) Impairment

(i) Non-derivative financial assets

NIB recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt securities at FVOCI.

NIB measures loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised is 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments (other than contributions and other receivables) for which credit risk has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas a 12-month ECL is that part of an ECL that results from default events that are possible within the 12 months after the reporting date.

In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which NIB is exposed to credit risk.

3. Material accounting policies, continued

(f) Impairment, continued

(i) Non-derivative financial assets, continued

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date*: the present value of all cash shortfalls - i.e. the difference between the cash flows due to NIB in accordance with the Contributions Regulations and certain contracts and the cash flows that NIB expects to receive; and
- *Financial assets that are credit-impaired at the reporting date*: the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, NIB assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes, but is not restricted to, the following observable data:

- significant financial difficulty of the contributor, borrower or issuer;
- a breach of the Contributions Regulations and certain contracts such as a default or past-due event;
- the restructuring of an amount due to NIB on terms that NIB would not otherwise consider;
- it is probable that the contributor or borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the contributor or borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

3. Material accounting policies, continued

(f) Impairment, continued

(i) Non-derivative financial assets, continued

Credit-impaired financial assets, continued

In assessing whether an investment in debt securities is credit-impaired, NIB considers the following factors:

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

Presentation of allowances on the statement of financial position

Loss allowances for ECLs are presented as follows:

- *Financial assets measured at amortised cost*: the loss allowance is deducted from the gross carrying amount of the assets; and
- *Debt investments at FVOCI*: the loss allowance is recognised in other comprehensive income/reserves and does not reduce the carrying amount of the financial asset on the statement of financial position.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when NIB determines that the contributor or borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with NIB's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, NIB reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

3. Material accounting policies, continued

(f) Impairment, continued

(ii) Non-financial assets, continued

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of income, expenses and reserves.

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

(g) Leases

(i) As a lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Dual-use assets that are partially leased out under operating leases are included in property and equipment on the statement of financial position. Rental income is recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease.

(ii) As a lessee

- *Lease term is 12 months or less or the underlying asset has a low value.*

  Rental expenses are recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total rental expenses, over the term of the lease, if any.

3. Material accounting policies, continued

(g) Leases, continued

(ii) As a lessee, continued

- *Lease term is more than 12 months or the underlying asset has a high value.*

  Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are recognised on the statement of financial position of NIB unless the lease term is 12 months or less or the underlying asset has a low value. NIB recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments on the statement of financial position.

  The right-of-use asset is initially measured at cost, which is the present value of the lease payments that are not paid at that date, and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

  Depreciation of a right-of-use asset and interest on the lease liability is recognised in the statement of income, expenses and reserves over the lease term, and payment of principal and interest on the lease liability is presented separately within financing activities in the statement of cash flows.

(h) Taxation

Under current TCI law, NIB is not required to pay any taxes in TCI on either income or capital gains. Consequently, no tax liability or expense has been recorded in these financial statements.

(i) Actuarial present value of promised retirement benefits

IAS 26 permits the recognition of promised retirement benefits on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has elected to recognise the actuarial present value of its promised retirement benefits in the notes to the financial statements (note 13). The actuarial present value of other long-term benefits has been recognised as a liability on the statement of financial position for all reporting periods.

3. Material accounting policies, continued

(j) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

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

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.

(ii) An entity is related to a reporting entity if any of the following conditions apply:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled, or jointly controlled, by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transactions pertain to transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(k) New standards, amendments and interpretations to published standards not yet adopted

The following are new standards, amendments and interpretations to published standards, issued but not effective for the financial year beginning April 1, 2024 and not early adopted by NIB:

3. Material accounting policies, continued

(k) New standards, amendments and interpretations to published standards not yet adopted, continued

(i) Effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

- Lack of Exchangeability (Amendment to IAS 21, *The Effects of Changes in Foreign Exchange Rates*) – The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

  The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increase the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements.

(ii) Effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, *Financial Instruments*, and IFRS 7 *Financial Instruments:* Disclosures) – The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

  The amendments specify:

  – when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;

  – how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and

  – new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

  The amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later.

3. Material accounting policies, continued

(k) New standards, amendments and interpretations to published standards not yet adopted, continued

(ii) Effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted, continued

- Annual Improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 1, *First-time Adoption of International Financial Reporting Standards,* related to hedge accounting by a first-time adopter;
  - IFRS 7, related to gain or loss on derecognition;
  - Guidance on implementing IFRS 7, related to introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures;
  - IFRS 9, related to derecognition of lease liabilities and transaction price;
  - IFRS 10, *Consolidated Financial Statements*, related to determination of a 'de facto agent'; and
  - IAS 7, *Statement of Cash Flows* – related to cost method .
- Contracts referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments are made to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.

(iii) Effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

- IFRS 18, *Presentation and Disclosure in Financial Statements* – This new standard replaces IAS 1 and is mandatorily effective for annual reporting periods beginning on or after January 1, 2027.

  IFRS 18, which was published by the IASB on April 9, 2024, 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. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.

3. Material accounting policies, continued

(k) New standards, amendments and interpretations to published standards not yet adopted, continued

(iii) Effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted, continued

- IFRS 18, *Presentation and Disclosure in Financial Statements, continued*

  – Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

  – Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

  The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

- IFRS 19, *Subsidiaries without Public Accountability: Disclosures* – IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

  The eligibility criteria for an entity to apply IFRS 19 are:

  – The entity is a subsidiary;

  – The entity does not have public accountability; and

  – The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  An entity has public accountability if:

  – Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market;

  – It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

3. Material accounting policies, continued

(k) New standards, amendments and interpretations to published standards not yet adopted, continued

The new standards, amendments and interpretations to published standards and statements are expected by NIB to be either not relevant or not significant to NIB's operations and, accordingly, will not have a material impact on NIB's financial statements and/or accounting policies.

4. Determination of fair values

A number of NIB's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, as described below. Where applicable, further information about the assumptions made in determining fair value has been disclosed in the notes specific to that asset or liability.

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties.

(a) Financial assets measured at FVOCI

The fair value of financial assets measured at FVOCI is determined by reference to their quoted prices in an active market at the reporting date.

(b) Provisions for long-term benefits, other than promised retirement benefits

The fair value of provisions for long-term benefits, other than promised retirement benefits, is estimated as the present value of future cash outflows discounted at a rate of 4.5% at March 31, 2025 (2024: 4.5%) (note 13).

(c) Other financial instruments

Due to their short-term nature the carrying amounts of other financial assets and liabilities of NIB approximate their fair value.

The fair value of financial assets and liabilities with no fixed terms of repayment cannot be determined reliably.

NIB has an established control framework with respect to the measurement of fair values.

NIB regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then NIB assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors of NIB (the Board).

4. Determination of fair values, continued

When measuring the fair value of a financial instrument, NIB uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value, discounted cash flow models and comparison with similar instruments for which an observable market exists. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates.

The objective of the valuation technique is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

If the inputs used to measure the fair value of a financial instrument fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NIB recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Cash and cash equivalents

		2025	2024
Cash at investment managers	US$	28,612,531	10,540,541
Cash at banks – savings and current accounts		16,652,259	19,299,088
Cash on hand		5,468	5,693
	US$	45,270,258	29,845,322

5. Cash and cash equivalents, continued

The US$28,612,531 cash held with investment managers at March 31, 2025 (2024: US$10,540,541) was classified per NIB's Investment Policy Statement (IPS) (note 22(c)(ii)) as follows:

		2025	2024
Non U.S. equities	US$	1,420,420	1,652,118
Hedge funds		14,511,097	2,923,174
Fixed income		7,064,018	1,123,250
U.S. equities			
Large cap value		1,787,983	2,186,952
Large cap growth		995,346	1,082,418
Mid cap growth		165,417	155,642
Small cap core		1,415,272	577,340
Convertibles		1,252,978	839,647
	US$	28,612,531	10,540,541

During the year, cash held with investment managers earned interest at an average annual rate of 2.05% (2024: 1.05%).

The US$16,652,259 cash at banks – savings and current accounts at March 31, 2025 (2024: US$19,299,088) was held as follows:

		2025	2024
FirstCaribbean International Bank (Bahamas) Limited (FCIB)			
Interest bearing account	US$	16,188,752	17,904,800
Non-interest bearing account		220,945	1,151,632
Scotiabank (Turks and Caicos) Ltd. (Scotiabank)			
Interest bearing account		174,282	174,332
Non-interest bearing account		68,280	68,324
	US$	16,652,259	19,299,088

During the year, interest bearing accounts with FCIB and Scotiabank earned interest at rates of 0.34% to 0.68% (2024: 0.08% to 0.45%).

6. Contributions and other receivables

		2025	2024
Contributions receivable	US$	9,841,351	8,574,811
Other receivables – net		1,732,863	1,582,429
		11,574,214	10,157,240
Loss allowance on contributions receivable		(1,118,186)	(1,060,753)
	US$	10,456,028	9,096,487

6. Contributions and other receivables, continued

The movement on loss allowance on contributions receivable during the year ended was as follows:

		2025	2024
At April 1	US$	1,060,753	1,251,115
Impairment loss recognised (note 18)		606,252	608,920
Contributions receivable written-off		(548,819)	(799,282)
At March 31	US$	1,118,186	1,060,753

The US$1,732,863 other receivables – net at March 31, 2025 (2024: US$1,582,429) comprised the following:

		2025	2024
Surcharges receivable – net of loss allowance of US$520,953 (2024: US$498,100)	US$	734,669	706,930
Miscellaneous receivables – net of loss allowance of US$98,782 (2024: US$89,633)		328,351	283,344
Interest receivable – net of loss allowance of US$56,695 (2024: US$56,695)		669,843	592,155
	US$	1,732,863	1,582,429

(a) Surcharges receivable

The movement on gross surcharges receivable during the year ended was as follows:

		2025	2024
At April 1	US$	1,205,030	723,360
Surcharges recognised during the year		1,313,388	1,026,124
Collections during year		(504,258)	(544,454)
Accounts directly written-off		(758,538)	–
At March 31	US$	1,255,622	1,205,030

The movement on loss allowance on surcharges receivable during the year ended was as follows:

		2025	2024
At April 1	US$	498,100	275,026
Impairment loss on surcharges receivable (note 18)		22,853	223,074
At March 31	US$	520,953	498,100

The total impairment loss for the year ended March 31, 2025 on surcharges receivable totalled US$781,391 (2024: US$223,074) consisting of accounts directly written-off of US$758,538 (2024: US$nil) and impairment loss allowance of US$22,853 (2024: US$223,074).

6. Contributions and other receivables, continued

(a) Surcharges receivable, continued

In November 2024, the Parliament of TCI enacted the National Insurance (Additional Charges) Amnesty Act 40 of 2024, which introduced a six-month amnesty period from December 1, 2024 to May 31, 2025 to facilitate the payment of outstanding contributions under the National Insurance Act; and for a waiver of additional charges due in respect of late payment of contributions; and for connected purposes. As a result, total surcharges written off, including those waived under the amnesty, amounted to US$758,538 which was recognised as part of the impairment loss on surcharges receivable in the statement of income, expenses, and reserves for the year ended March 31, 2025.

(b) Miscellaneous receivables

The US$328,351 miscellaneous receivables – net at March 31, 2025 (2024: US$283,344) comprised the following:

		2025	2024
Dishonoured contributors' payments	US$	333,528	319,986
Receivable from NIB employees and others		93,605	52,991
Loss allowance		(98,782)	(89,633)
At March 31	US$	328,351	283,344

The movement on loss allowance on other receivables during the year ended March 31, 2025 was a loss of US$9,149 (2024: US$19,170).

7. Short-term investments

NIB's short-term investments at March 31, 2025 and 2024 represented certificates of deposit with Scotiabank, British Caribbean Bank Limited (BCB), Bordier Bank (TCI) Ltd. (Bordier) and TCBC with a maturity period of more than three months, but less than one year from date of acquisition:

	2025			
	Principal Amount	Maturity value	Interest rate per annum	Maturity date
	US$	US$		
Scotiabank	4,786,080	4,932,322	4.00%	December 12, 2025
BCB	4,329,463	4,502,167	4.00%	August 29, 2025
Bordier	3,949,291	4,127,743	4.49%	January 22, 2026
TCBC	4,070,739	4,264,634	4.75%	September 8, 2025
	17,135,573	17,826,866		

7. Short-term investments, continued

	2024			
	Principal Amount	Maturity value	Interest rate per annum	Maturity date
	US$	US$		
Scotiabank	4,483,101	4,645,177	4.75%	June 12, 2024
BCB	4,248,708	4,329,463	3.75%	August 26, 2024
Bordier	3,735,648	3,927,900	5.08%	January 17, 2025
TCBC	1,048,983	1,070,739	4.13%	September 10, 2024
	13,516,440	13,973,279		

Short-term investments at March 31, 2025 and 2024 were classified per NIB's IPS (note 22(c)(ii)) as fixed income investments.

8. Financial assets measured at FVOCI

Financial assets measured at FVOCI at March 31, 2025 and 2024 can be analysed as follows:

	Cost		Fair Value	
	2025	2024	2025	2024
	US$	US$	US$	US$
Equity securities	407,318,742	367,291,506	455,449,213	429,900,246
Government debt securities	44,933,159	51,047,907	44,356,675	48,729,894
Corporate debt securities	30,557,373	11,716,198	31,163,555	11,261,631
	482,809,274	430,055,611	530,969,443	489,891,771

During the year, certain equity securities earned dividends with average rates of return of 0.46% to 2.84% (2024: 0.45% to 2.82%) while government and corporate debt securities earned interest at rates 1.52% to 4.07% (2024: 0.80% to 4.57%) with coupon rates ranging from 0.125% to 8.40% (2024: 0.125% to 9.61%).

Government and corporate debt securities have remaining maturity periods ranging from 1 to 37 years (2024: 1 to 38 years) as at the reporting date.

The US$530,969,443 financial assets measured at FVOCI at March 31, 2025 (2024: US$489,891,771) were managed by UBS Financial Services Inc. (UBS) and its various investment managers.

UBS is one of the world's leading global financial services firms and is one of the world's largest private banks. Its businesses include wealth management, investment banking, corporate and institutional clients, asset management, commercial and retail banking.

8. Financial assets measured at FVOCI, continued

Financial assets measured at FVOCI at March 31, 2025 and 2024 were classified per NIB's IPS (note 22(c)(ii)) as follows:

		2025	2024
Non U.S. equities	US$	115,976,399	110,285,675
Fixed income		58,432,639	59,687,181
Hedge Funds		84,582,068	62,035,030
U.S. equities			
Large cap value		74,824,350	75,169,947
Large cap growth		72,076,381	57,730,069
Mid cap growth		14,960,715	15,449,537
Small cap core		13,726,628	14,921,673
Convertibles		22,077,070	20,400,994
Private equity		71,360,720	71,197,519
Commodities		2,952,473	3,014,146
	US$	530,969,443	489,891,771

A total of US$17,087,591 corporate debt securities in financial assets measured at FVOCI at March 31, 2025 (2024: US$304,344) were classified as convertibles per NIB's IPS.

9. Long-term receivable

On July 1, 2016, FortisTCI Limited (Fortis) issued a US$5,000,000 unsecured bond (Fortis Bond) to NIB with a coupon rate of 5.14% per annum and a maturity date of July 1, 2031. Subsequent to the year end, Fortis changed its name to Pelican Energy TCI Ltd. (Pelican). The Pelican Bond is repayable in full on July 1, 2031 and interest is payable every quarter of each calendar year (January 1, April 1, July 1 and October 1). Pelican can redeem, in whole or in part, the Pelican Bond at any time prior to June 30, 2026 at a price agreed with NIB.

During the year NIB earned US$257,000 (2024: US$257,000) of interest on the Pelican Bond which was included as part of interest and other income in the statement of income, expenses and reserves (note 16).

Long-term receivable of US$5,000,000 from Pelican at March 31, 2025 and 2024 was classified per NIB's IPS (note 22(c)(ii)) as fixed income investments.

10. Property and equipment

	Land and Buildings	Furniture & Fixtures	Computer Equipment	Motor Vehicles	Total
	US$	US$	US$	US$	US$
Cost:					
April 1, 2023	5,297,070	805,272	1,587,555	317,887	8,007,784
Additions	4,000,000	104,102	61,987	160,500	4,326,589
Disposals	–	–	–	(26,402)	(26,402)
March 31, 2024	9,297,070	909,374	1,649,542	451,985	12,307,971
April 1, 2024	9,297,070	909,374	1,649,542	451,985	12,307,971
Additions	–	63,620	288,986	67,000	419,606
Disposals	–	–	–	(51,462)	(51,462)
March 31, 2025	9,297,070	972,994	1,938,528	467,523	12,676,115
Accumulated depreciation:					
April 1, 2023	3,099,118	626,397	1,495,066	291,853	5,512,434
Charge for the year	214,429	25,314	52,712	17,131	309,586
Disposals	–	–	–	(26,402)	(26,402)
March 31, 2024	3,313,547	651,711	1,547,778	282,582	5,795,618
April 1, 2024	3,313,547	651,711	1,547,778	282,582	5,795,618
Charge for the year	214,428	34,598	57,409	47,225	353,660
Disposals	–	–	–	(51,462)	(51,462)
March 31, 2025	3,527,975	686,309	1,605,187	278,345	6,097,816
Carrying amounts:					
March 31, 2024	5,983,523	257,663	101,764	169,403	6,512,353
March 31, 2025	5,769,095	286,685	333,341	189,178	6,578,299

Included in land and buildings as cost of land was US$70,500 representing US$500 for land transferred by TCIG to NIB in April 2003 and US$70,000 for land leased for 999 years from TCIG from November 2012. Also, included in land and buildings is the Hon. L. Headley Durham building located on Grand Turk and the aforementioned 999 year lease from TCIG on 0.56 acres of land where the building is located. NIB purchased the building from TCIG in November 2012. The original cost of the building was US$1,257,808 plus incidentals of US$15,070 while the total lease payment for the land for the entire 999 years was US$70,000.

The cost of the building and the total payments for the leased land were paid in full by NIB in November 2012 as part of an Omnibus Agreement between NIB and TCIG.

In November 2023, NIB purchased a parcel of land from a local private entity for US$4,000,000. The land is located in Cheshire Hall & Richmond Hill, Providenciales and is intended for the construction of a new building for NIB.

During the year NIB sold two fully depreciated motor vehicles for US$5,500 (2024: one motor vehicle for US$3,000).

No impairment losses were recognised during the years ended March 31, 2025 and 2024.

11. Accounts payable and accrued expenses

		2025	2024
Accounts payable	US$	643,541	377,165
Other accrued expenses		278,446	192,862
Accrued unemployment assistance benefit		187,075	57,593
Accrued employment injury costs (note 14(a)(c))		134,000	89,000
Accrued short-term benefits		107,487	223,192
Accrued pension contribution for NIB employees		16,192	13,478
	US$	1,366,741	953,290

(a) TCIG Multi Employer Enhanced Pension Plan

On September 7, 2022 TCIG approved NIB's request to participate in the TCIG Multi Employer Enhanced Pension Plan (Pension Plan), effective April 1, 2022. In addition, NIB committed additional contributions of US$980,994 for NIB's staff past service cost, excluding years of service for which employees would have already received pension contributions. These additional contributions are to be paid by NIB to TCIG in three equal instalments beginning in the 2024 financial year.

A multi-employer plan is a defined contribution plan (other than state plans) that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

At March 31, 2025 NIB recognised US$16,192 (2024: US$13,478) due to the Pension Plan as follows:

		2025	2024
At April 1	US$	13,478	169,885
Contributions of NIB		86,523	77,836
Contributions by qualified NIB employees		101,934	89,471
First instalment of NIB's staff past service cost		–	326,998
Second instalment of NIB's staff past service cost		326,998	–
Total pension contributions		515,455	494,305
Payments during the year		(512,741)	(650,712)
At March 31	US$	16,192	13,478

11. Accounts payable and accrued expenses, continued

(a) TCIG Multi Employer Enhanced Pension Plan, continued

The total contributions of NIB for the year ended March 31, 2025 and its instalment of past service cost amounting to US$413,521 (2024: US$404,834) were included in general and administrative expenses in the statement of income, expenses and reserves (note 18).

(b) Employment injury costs

Per the Act, NIB is liable to the TCI National Health Insurance Board (NHIB) for the actuarially calculated cost of medical services provided in connection with employment injuries.

At March 31, 2025 NIB included US$134,000 (2024: US$89,000) of this actuarially calculated cost in accounts payable and accrued expenses representing NIB's best estimate of its obligation for medical costs in connection with employment injuries as at that date.

12. Accrued survivors' benefits

		2025	2024
Survivors' benefits	US$	1,341,839	1,942,282
Less: payments during the year		(405,312)	(600,443)
	US$	936,527	1,341,839

Accrued survivors' benefits of US$936,527 at March 31, 2025 (2024: US$1,341,839) pertained to estimated unpaid survivors' benefits as a result of the amendment of Section 19(3) of the National Insurance (Benefit) Regulations (amended by Legal Notice 32/2011) where if no widow or widower is entitled to the survivor's benefit, the maximum available survivor's benefit shall be payable to or in respect of the children of the deceased.

The total estimated claims for the said benefits of US$1.9 million was recognised as survivors benefit expense (long-term benefit) in the statement of income, expenses and reserves for the year ended March 31, 2024.

During the year ended March 31, 2025, NIB paid 11 (2024: 21) deceased insured persons beneficiaries amounting to US$405,312 (2024: US$600,443).

13. Actuarial review

Actuarial present value of promised retirement benefits

For promised retirement benefits NIB has elected to apply IAS 26, as its accounting policy for these benefits, which requires the actuarial present value of promised retirement benefits to be recognised on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has elected to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements.

13. Actuarial review, continued

Actuarial present value of promised retirement benefits, continued

The 11th actuarial review of NIB was conducted by Telus Health (Bahamas) Ltd. (the Actuary) as at March 31, 2025 and a report issued in September 2025. The 10th actuarial review of NIB was conducted by Trinity Consulting Ltd. as at March 31, 2022 and a report issued in August 2022.

NIB provides retirement and other benefits to qualifying beneficiaries. A summary of these benefits is disclosed at note 3(e)(iv) to these financial statements.

NIB currently finances the reserves (the Fund) by considering expected cash inflows from contributors and cash outflows to beneficiaries over an extended period, alongside the assets that have accumulated to date from contributions exceeding benefit payments.

The actuarial present value of promised retirement benefits has been calculated on an accrued benefits basis using a current salary approach.

Under this methodology the actuarial present value of promised retirement benefits at March 31, 2025, the date of NIB's latest actuarial review, was US$1.061 billion (March 31, 2022: US$787 million).

The key assumptions and methods used in the 11th actuarial review calculation were as follows:

- Inflation – 2.0% per annum (2022: 2.1% per annum)
- Discount rate – 4.5% per annum (2022: 4.5% per annum)
- Average retirement age – 62 years old (2022: 63 years old)
- Mortality rate – United Nations rates for Latin America with adjustments for the TCI experience (2022: United Nations rates for Latin America with adjustments for the TCI experience).

The calculation of the actuarial present value of promised retirement benefits is sensitive to the key assumptions and methods used.

The Fund had total reserves of US$564 million at March 31, 2025 (2022: US$418 million).

At March 31, 2025 there was therefore a shortfall of US$497 million (2022: US$369 million) between the total reserves of the Fund of US$564 million (2022: US$418 million) and the actuarial present value of promised retirement benefits of US$1.061 Billion (2022: US$787 million).

The next actuarial review is scheduled to be conducted as at March 31, 2028.

In May 2023, the Board approved and implemented NIB's Funding Policy. NIB adopted three funding methods for each of the three benefit branches. For more information on the new Funding Policy refer to note 14(b) to these financial statements.

13. Actuarial review, continued

Actuarial present value of promised retirement benefits, continued

All key assumptions remained the same for the actuarial present value of promised retirement benefits calculations at March 31, 2025 and at March 31, 2022 with the exception of the assumed average retirement age and inflation rate.

The assumed retirement age was reduced to age 62 from age 63 because of the deemed impact of the legislative removal of the requirement that individuals awarded retirement benefits prior to age 65 must be substantially employed. This change is a result of a provision enacted in August 2021 allowing insured persons as young as age 60 to collect a reduced (5/12% per month/5.0% per year prior to age 65) retirement pension while substantially employed. As a result, and based upon scheme specific data, insured persons started to retire earlier making it necessary to change the assumption. This change resulted in an increase in the actuarial present value of promised retirement benefits at March 31, 2025.

If the average retirement age used in 2025 had remained consistent with 2022 then the actuarial present value of promised retirement benefits, assuming no salary increase, would have been US$1.012 billion or 4.6% lower at March 31, 2025. With the salary increase assumption, the actuarial present value of promised retirement benefits, would have been US$1.221 billion or 15.1% higher at March 31, 2025.

At March 31, 2025, the assumed inflation rate was revised from 2.1% to 2.0%. However, this change did not affect the actuarial present value of promised retirement benefits. The calculation of the actuarial present value does not explicitly incorporate inflation or pension increase assumptions. While inflation is considered in the projecting funding adequacy in future years it is not a direct input in the valuation methodology. Accordingly, the change in the inflation rate assumption had no material impact on the reported actuarial present value of promised retirement benefits as at March 31, 2025.

If the discount rate used had decreased from 4.5% to 4% the actuarial present value of promised retirement benefits at March 31, 2025 would have increased by US$86 million.

The actuarial present value of promised retirement benefits at March 31, 2025 and 2022 can be classified as follows:

		Vested	Unvested	Total
At March 31, 2025	US$	472,400,000	588,700,000	1,061,100,000
At March 31, 2022	US$	288,700,000	498,500,000	787,200,000

Vested benefits are benefits, the rights to which, under the conditions of National Insurance (Benefit) Regulations, are not conditional on continued employment.

13. Actuarial review, continued

Actuarial present value of promised retirement benefits, continued

Effective August 28, 2021 the conditions for promised retirement benefits to become vested are as follows:

(a) An insured person other than a temporary resident employed person has attained the age of sixty years; and

(b) The relevant insured person satisfies certain specified contribution conditions, specifically:

I. not less than one hundred and fifty contributions (three years) have been paid by the insured person; and

II. not less than five hundred contributions (ten years), including those referred to above, have been paid by or credited to the insured person.

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits, was quantified by the Actuary at March 31, 2025, 2024 and 2023 and recognised in NIB's financial statements in accordance with IAS 37, as follows:

		Present value at reporting date	Change during the year
At March 31, 2025	US$	50,300,000	1,479,000
At March 31, 2024	US$	48,821,000	177,000
At March 31, 2023	US$	48,644,000	5,938,000

The change in present value of provisions for long-term benefits, other than promised retirement benefits, of US$1,479,000 during the year ended March 31, 2025 (2024: US$177,000) was recognised in the statement of income, expenses and reserves.

The details of the actuarial present value of provisions for long-term benefits, other than promised retirement benefits, at the reporting date by benefit branch was as follows:

	2025	2024	Change during the year
	US$	US$	US$
Long-term benefit branch			
Survivors' benefit	21,400,000	20,986,000	414,000
Invalidity pension	18,500,000	18,906,000	(406,000)
Non-contributory old aged pension	3,000,000	2,763,000	237,000
	42,900,000	42,655,000	245,000
Employment injury benefit branch			
Employment injury benefit	7,400,000	6,166,000	1,234,000
Total	50,300,000	48,821,000	1,479,000

13. Actuarial review, continued

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits, continued

	2024	2023	Change during the year
	US$	US$	US$
Long-term benefit branch			
Invalidity pension	18,906,000	19,940,000	(1,034,000)
Survivors' benefit	20,986,000	18,735,000	2,251,000
Non-contributory old aged pension	2,763,000	3,099,000	(336,000)
	42,655,000	41,774,000	881,000
Employment injury benefit branch			
Employment injury benefit	6,166,000	6,870,000	(704,000)
Total	48,821,000	48,644,000	177,000

The key assumptions and methods used in this calculation of present value of other long-term benefits for 2025 and 2024 were as follows:

- Inflation – 2.0% per annum (2024: 2.1% per annum)
- Discount rate – 4.5% per annum (2024: 4.5% per annum)
- For invalidity pensions NIB is liable for insured persons who are invalid and less than sixty years of age.
- For widows/widowers pension – assume to be paid for life (2024: assume to be paid for life)
- For orphan pension – assume to be paid until age of 21 (2024: assume to be paid until age of 21)
- For employment injuries NIB is liable for the period the insured person is incapacitated.

14. Reserves

(a) *Statutory reserves*

Under the Regulations NIB is required to maintain three specific reserves on the following basis:

a) *A Long-Term Benefit Reserve.* The minimum level of which shall be equivalent to the expenditure for benefits under the Long-Term Benefit Branch during the three previous financial years.

b) *A Short-term Benefit Reserve.* The minimum level of which shall be equivalent to one-fourth of the expenditure for benefits under the Short-Term Benefit Branch during the two previous financial years.

14. Reserves, continued

(a) Statutory reserves, continued

c) *An Employment Injury Benefit Reserve.* This reserve shall be constituted to finance injury benefit, disablement grant, death grant and medical care by transferring thereto annually as much of the excess of income over expenses of the Employment Injury Benefit Branch as is needed to maintain the level of the Employment Injury Benefit Reserve at one-half of the amount paid for the said benefits in the two previous financial years. The Disablement and Death Benefit Reserve has no such minimum requirement.

The Employment Injury Benefit Reserve at March 31, 2025 and 2024 was determined as follows:

		Paid benefits 2025	Paid benefits 2024	Reserve required at March 31, 2025
Injury benefit paid	US$	236,574	144,237	190,406
Medical care		–	–	–
	US$	236,574	144,237	190,406

		Paid benefits 2024	Paid benefits 2023	Reserve required at March 31, 2024
Injury benefit paid	US$	144,237	152,878	148,558
Medical care		–	–	–
	US$	144,237	152,878	148,558

At March 31, 2025 NIB management included accrued employment injury costs of US$134,000 (2024: US$89,000) in the Employment Injury Benefits Reserve as these were the expected amounts that would ultimately be paid to NHIB from this reserve.

During the year ended March 31, 2025 US$41,848 was transferred from the Disablement and Death Benefit Reserve to the Employment Injury Benefit Reserve (2024: US$16,664 transferred to the Disablement and Death Benefit Reserve from the Employment Injury Benefit Reserve) so as to maintain the required reserve for Employment Injury Benefit at March 31, 2025 and March 31, 2024.

(b) NIB's Funding Policy

In May 2023, the Board approved and implemented NIB's Funding. The purpose of the Funding Policy is to establish a framework for those responsible for the governance of NIB for the funding of NIB benefits in an orderly and structured manner to achieve defined objectives and to document the methods for meeting those objectives. The composition of the reserves remains governed by the Regulations as detailed at note 3(d).

14. Reserves, continued

(b) NIB's Funding Policy, continued

NIB adopted three different funding methods. The Partially Funded Method is considered to be NIB's primary funding method as it has been adopted for the Long-Term Benefit Branch which dominates the Fund. The Pay-as-you-Go with a reserve (PAYGwR) Method has been adopted for the Short-Term Benefit Branch and for certain benefits of the Employment Injury Branch. The Full Funded Method has been adopted for the Employment Injury Branch for long-term risks.

Under the Partially Funded Method:

- The income collected should be greater than the annual expenditure for a period of time such that the contribution rate remains constant during that period (referred to as the Period of Equilibrium) and with a commitment by the Board to increase the contribution rate in subsequent Periods of Equilibrium;
- The contribution rate must be set at a level such that the minimum reserve requirements are met and is greater than the PAYGwR rate during the years in the Period of Equilibrium; and
- The excess income that is generated each year will be added to the Fund and is accumulated to allow for the payment of contingencies, to maintain the current contribution rate for an extended number of years, to avoid annual increases to the contribution rate and to keep the rate as low as possible.

Under the PAYGwR Method:

- The annual income collected should be slightly greater than the annual expenditures to be paid out;
- Benefits are paid for a period of not more than one year;
- It is expected that annual frequencies and average durations are relatively stable; and
- Minimal reserves are held for these benefits to buffer unusual and unexpected events such as epidemics and natural disasters.

Under the Full Funded Method:

- The level of reserves must be at least equal to the present value of benefits; and
- The income collected and allocated to the Employment Injury Branch must be sufficient to cover: (a) the short-term expenditures of the branch and (b) the remaining amount must at least be able to satisfy the above full funded requirement for the long-term risks of the branch.

The Partially Funded position is considered by NIB to be reasonable and appropriate for purposes of a Social Security Plan as it is intended to operate indefinitely and have a continuous flow of new entrants.

14. Reserves, continued

(c) Capital management

There was no change to NIB's management of capital during the years ended March 31, 2025 and 2024.

NIB has complied with the above regulatory imposed capital requirements at the year-end.

NIB is not subject to any externally imposed capital requirements.

15. Income from, and net realised gains on, financial assets measured at FVOCI

		2025	2024
Dividend income and interest income from equity securities at FVOCI	US$	10,797,996	8,622,245
Interest income and realised gains from debt securities at FVOCI		4,115,135	168,521
	US$	14,913,131	8,790,766

16. Interest and other income

		2025	2024
Interest income from long-term receivable (note 9)	US$	257,000	257,000
Interest income from savings and current accounts		776,492	638,143
		1,033,492	895,143
Rental income (note 21)		128,000	128,000
Other income		38,324	33,721
	US$	1,199,816	1,056,864

Rental income of US$128,000 (2024: US$128,000) was received from TCIG and relates to the rental of office space included in property and equipment.

17. Benefits

		2025	2024
Long-term benefits			
Retirement pension benefit	US$	30,130,821	26,272,826
Survivors benefit		2,385,022	4,145,457
Invalidity pension		1,338,118	1,407,203
Old age non contributory		493,906	543,438
Funeral grant		262,445	341,996
Retirement grant		168,935	150,298
Survivors grant		4,904	17,244
		34,784,151	32,878,462

17. Benefits, continued

		2025	2024
Long-term benefits, continued	US$	34,784,151	32,878,462
Short-term benefits			
Sickness benefit		1,588,124	1,625,007
Maternity allowance		1,345,245	1,172,173
Maternity grant		203,920	205,000
Unemployment		181,335	–
		3,318,624	3,002,180
Employment injury benefits/disablement and death benefits			
Disablement benefit		486,302	461,224
Injury benefit		236,574	144,237
Death benefit		46,775	49,087
Constant attendance allowance		31,200	31,200
		800,851	685,748
	US$	38,903,626	36,566,390

Refer to note 13 for additional information on long-term benefits.

18. General and administrative expenses

		2025	2024
Salaries and wages	US$	3,492,000	3,104,322
Impairment loss on surcharges receivable (note 6(a))		781,391	223,074
Impairment loss on contributions receivable (note 6)		606,252	608,920
Employer’s pension contribution for NIB employees (note 11(a))		413,521	404,834
Depreciation of property and equipment (note 10)		353,660	309,586
Professional fees		325,537	331,735
Maintenance expenses		319,119	212,022
Computer services		279,280	284,699
Communications		198,225	191,724
Security		188,057	167,029
Rent and utilities		183,981	178,214
Board of directors fees and committee allowances		160,670	132,629
Bank charges		148,010	87,448
Insurance		146,308	137,023
Employee allowances		98,472	86,704
Travel and subsistence		97,381	103,254
Staff training		74,049	59,072
Office supplies, stationery and postage		72,465	136,064
Advertising		57,954	50,026
Vehicle expenses		51,184	45,822
Subscription and membership fees		40,192	25,630
Meeting and entertainment		32,074	32,204
Impairment loss on other receivables (note 6(b))		9,149	19,170
Gain on disposal of fixed assets		(5,500)	(3,000)
	US$	8,123,431	6,928,205

19. Investment expenses

		2025	2024
Brokers' fees on financial assets measured at FVOCI	US$	2,450,978	2,195,763
Other investment expenses		42,000	42,160
	US$	2,492,978	2,237,923

NIB and UBS agreed on a wrap fee of 0.64% per annum on assets under management or equities, fixed income, and convertibles once US$170 million in assets under management was attained. For the year ended March 31, 2025, total fees recognised amounted to US$2.45 million (2024: US$2.20 million). These fees comprised placement fees related to hedge fund and private equity capital commitments, as well as wrap fees calculated based on assets under management.

20. Net change in fair value of financial assets measured at FVOCI

The (US$11,675,991) net change in fair value of financial assets measured at FVOCI included in NIB's reserves at March 31, 2025 (2024: US$47,949,449) can be analysed as follows:

		Unrealised changes in fair value at March 31		Movement
		2025	2024	2025
Financial assets measured at FVOCI				
Equity securities	US$	48,130,471	62,608,740	(14,478,269)
Government debt securities		(576,484)	(2,318,013)	1,741,529
Corporate debt securities		606,182	(454,567)	1,060,749
	US$	48,160,169	59,836,160	(11,675,991)

		Unrealised changes in fair value at March 31		Movement
		2024	2023	2024
Financial assets measured at FVOCI				
Equity securities	US$	62,608,740	16,135,251	46,473,489
Government debt securities		(2,318,013)	(3,167,397)	849,384
Corporate debt securities		(454,567)	(1,081,143)	626,576
	US$	59,836,160	11,886,711	47,949,449

21. Related party transactions and balances

The following are transactions and balances with NHIB and TCIG, related parties by virtue of significant influence and common directors, transactions with key management personnel and contributions from other significant statutory bodies, which are not separately disclosed elsewhere in these financial statements.

		2025	2024
TCIG and related entities transactions			
Collection of contributions (Employer and employees' contributions)	US$	12,034,381	9,521,253
Contributions – private sector (Employer and employees' contributions)	US$	8,679,458	6,610,091
Contributions – civil servants	US$	3,354,923	2,911,162
Pension contributions (note 11(a))	US$	515,455	494,305
Payment of pension contributions to TCIG (note 11(a))	US$	512,741	650,712
NIB's payment of NIB contributions	US$	253,280	230,601
NIB's payment of NHIB contributions	US$	164,724	158,087
Employment injury costs (note 11(b))	US$	134,000	89,000
Rental income (note 16)	US$	128,000	128,000
Payments to settle amounts due to National Audit Office	US$	71,625	143,250
Payment of employment injury costs to NHIB	US$	–	87,000
Collections of contributions from significant TCIG statutory bodies:			
- TCI Airports Authority	US$	1,882,614	1,580,479
- TCI Financial Services Commission	US$	392,168	314,093
- TCI Ports Authority	US$	283,451	217,115
- TCI NHIB	US$	195,162	206,934
TCIG and related entities balances			
Accrued pension contribution (note 11(a))	US$	16,192	13,478
Accrued NHIB employment injury costs (note 11(b))	US$	134,000	89,000
Outstanding contributions from significant TCIG statutory bodies:			
- TCI Airports Authority	US$	217,752	129,388
- TCI Financial Services Commission	US$	34,420	25,583
- TCI Ports Authority	US$	51,994	21,847
- TCI NHIB	US$	23,161	15,603

Per the Act, contributions from TCIG of US$3,354,923 (2024: US$2,911,162) comprise contributions relating to TCIG officers only and these are reflected in the statement of income, expenses and reserves as contributions from civil servants.

21. Related party transactions and balances, continued

Contributions for TCIG employees are charged at the same rates as the private sector and, on this basis, have been included within the private sector contributions in the statement of income, expenses and reserves and for the purpose of allocating contributions amongst branches.

		2025	2024
Key management personnel compensation			
Salary of the director and the deputy director	US$	283,966	223,338
Allowances of the board of directors	US$	106,140	85,200
Other benefits of the director and the deputy director	US$	43,837	41,528
Deputy director’s pension benefit	US$	3,861	3,060

The Chairman of the Board receives US$1,995 (2024: US$1,500) and a US$100 (2024: US$100) telephone allowance every month and members of the Board not employed by TCIG receive US$1,250 (2024: US$1,000) and a US$100 (2024: US$100) telephone allowance every month. NIB had seven Board members during the year ended March 31, 2025 (2024: seven) and the Board met 15 times during the year ended March 31, 2025 (2024: 13).

Directors, key management personnel and other staff members of NIB are eligible to receive both short-term and long-term benefits from NIB as prescribed under the Act.

22. Financial instruments

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

(a) Credit risk

(b) Liquidity risk

(c) Market risk

This note presents information about NIB’s exposure to each of the above risks, NIB’s objectives, policies and processes for measuring and managing risk, and NIB’s management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Minister with responsibility for NIB (the Minister) appoints the Directors. The Directors have full discretionary power to direct, manage, allocate and rebalance or liquidate NIB’s investments in compliance with the terms of the IPS. The Directors established the IPS which communicates the investment philosophy of the Directors regarding NIB’s investments.

The IPS creates a general framework within which the investment assets of NIB can be managed. The IPS envisages a rebalancing exercise at least semi-annually to keep asset allocations within recommended ranges.

22. Financial instruments, continued

Risk management framework, continued

The IPS was most recently revised in May 2020. NIB kept its asset allocation, with the exception of commodities, within ranges recommended by the IPS at March 31, 2025 and March 31, 2024. Commodities are still allowable as an alternative investment strategy under the revised IPS.

The Directors may appoint such person(s) as necessary to achieve NIB's investment objectives. The pursuit of these objectives also involves assuming responsibility for the establishment and oversight of NIB's risk management framework and for developing and monitoring NIB's risk management policies.

NIB's risk management policies are established to identify and analyse the risks faced by NIB, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and NIB's activities.

The Directors appoint an Investment Committee and designate its Chairman who is a Director. The Directors also appoint an Investment Manager who has responsibility for the day to day management of NIB's assets.

NIB's investment portfolio is comprised of mainly quoted equity securities and debt securities, long-term receivable and deposits.

(a) *Credit risk*

Credit risk is the risk that a contributor or counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with NIB, resulting in a financial loss to NIB.

Credit risk is monitored on a regular basis by the Investment Committee.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

The maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
		2025	2024
Current assets:			
Cash and cash equivalents	US$	45,270,258	29,845,322
Contributions and other receivables		10,456,028	9,096,487
Short-term investments		17,135,573	13,516,440
		72,861,859	52,458,249
Non-current assets:			
Financial assets measured at FVOCI		530,969,443	489,891,771
Long-term receivable		5,000,000	5,000,000
		535,969,443	494,891,771
	US$	608,831,302	547,350,020

22. Financial instruments, continued

(a) Credit risk, continued

NIB management are of the opinion that NIB's policies governing delinquent accounts and loss allowance/fair value adjustments ensure that these financial statements accurately reflect any credit risk associated with amounts due from contributors and other debtors.

Contributions receivable

At the reporting date the exposure to credit risk for contributions receivable, excluding surcharges, by type of counterparty and by type of contribution risk accepted, was as follows:

		2025		
		Gross	Loss allowance	Carrying Amount
Private employers				
Tourism related	US$	4,109,663	(160,925)	3,948,738
Wholesale and retail		907,982	(65,177)	842,805
Construction		877,463	(199,493)	677,970
Others		3,445,399	(471,832)	2,973,567
Self-employed		500,844	(220,759)	280,085
	US$	9,841,351	(1,118,186)	8,723,165

		2024		
		Gross	Loss allowance	Carrying Amount
Private employers				
Tourism related	US$	3,839,958	(152,798)	3,687,160
Wholesale and retail		786,597	(62,049)	724,548
Construction		590,690	(163,601)	427,089
Others		2,927,522	(456,396)	2,471,126
Self-employed		430,044	(225,909)	204,135
	US$	8,574,811	(1,060,753)	7,514,058

At the reporting date the exposure to credit risk for contributions receivable, by geographical location, was as follows:

		2025		
		Gross	Loss allowance	Carrying Amount
Providenciales	US$	8,731,938	(998,401)	7,733,537
Grand Turk		838,421	(97,216)	741,205
North Caicos		195,339	(12,477)	182,862
South Caicos		30,822	(7,253)	23,569
Other islands		44,831	(2,839)	41,992
	US$	9,841,351	(1,118,186)	8,723,165

22. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

		2024		
		Gross	Loss allowance	Carrying Amount
Providenciales	US$	7,828,346	(976,519)	6,851,827
Grand Turk		522,812	(58,704)	464,108
North Caicos		150,859	(10,831)	140,028
South Caicos		40,437	(12,913)	27,524
Other islands		32,357	(1,786)	30,571
	US$	8,574,811	(1,060,753)	7,514,058

NIB's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain transactions NIB mitigates this risk by conducting settlements through a compliance officer to ensure that a contribution is settled only when both parties have fulfilled their contractual settlement obligations.

The aging of contributions receivable, excluding surcharges, at the reporting date, by type of counterparty, was as follows:

	2025		2024	
	Gross	Loss allowance	Gross	Loss allowance
	US$	US$	US$	US$
Private employers				
Past due				
Not later than one month	298,867	(24,609)	290,095	(28,335)
Later than one month but not later than two months	325,807	(52,041)	162,746	(37,716)
Later than two months	2,087,604	(591,392)	1,669,020	(617,087)
Outstanding but not past due	6,628,229	(229,385)	6,022,906	(151,706)
	9,340,507	(897,427)	8,144,767	(834,844)
Self-employed				
Past due				
Not later than one month	41,427	(6,629)	32,586	(5,713)
Later than one month but not later than two months	30,109	(9,635)	27,475	(9,624)
Later than two months	300,308	(192,884)	273,293	(201,869)
Outstanding but not past due	129,000	(11,611)	96,690	(8,703)
	500,844	(220,759)	430,044	(225,909)
	9,841,351	(1,118,186)	8,574,811	(1,060,753)

22. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

The movement in the loss allowance in respect of contributions receivable during the year is disclosed at note 6 to these financial statements.

NIB's exposure to credit risk is influenced mainly by the default risk associated with the industry and location in which contributors operate. In monitoring contributors' credit risk, contributors are grouped according to their credit characteristics, including whether they are tourism related, wholesale or retail, construction and others.

A loss allowance is made against outstanding contributions receivable on the following percentage basis of the amounts in each of the following categories (combined weighted-average loss rate for private employers and self-employed):

	2025	2024
Outstanding but not past due	4%	3%
Past due:		
Not later than one month	9%	11%
Later than one month but not later than two months	17%	25%
Later than two months	33%	42%

At the reporting date NIB used an allowance matrix to measure the ECLs of contributions receivable and surcharges.

Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposure in different segments based on type of industry.

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by certain factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and NIB's view of economic conditions over the expected lives of the receivables.

41% (2024: 41%) of surcharges receivable that were past due at March 31, 2025 were provided for.

35% (2024: 35%) of contributions receivable with pending legal matters that were past due for more than 90 days at March 31, 2025 were provided for.

22. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

The loss allowance at the reporting date reflected estimates of losses arising from the failure or inability of NIB's contributors to make required payments. The allowance was based on the aging of contributor accounts, type of counterparty/contributor, economic conditions and NIB's historical write-off experience. Changes to the loss allowance may be required if the financial condition of contributors improved or deteriorated. An improvement in financial conditions might have resulted in lower actual write-offs. Historically, changes to the estimate of losses were not material to NIB's financial position and results of operations.

Debt securities at FVOCI

NIB's debt securities at FVOCI are only allowed with counterparties that have a credit rating that is acceptable to the Investment Committee and meets the IPS requirements. Given their credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the reporting date no loss allowance was recognised on debt securities at FVOCI.

NIB considers that its debt securities at FVOCI have a low credit risk based on the external credit ratings of the counterparties.

Other financial assets

At the reporting date, NIB held financial assets with the following TCI entities:

		2025	2024
FCIB			
Cash at banks – savings and current accounts	US$	16,409,697	19,056,432
Scotiabank			
Cash at banks – savings and current accounts		242,562	242,656
Short-term investments		4,786,080	4,483,101
TCBC			
Short-term investments		4,070,739	1,048,983
BCB			
Short-term investments		4,329,463	4,248,708
Bordier			
Short-term investments		3,949,291	3,735,648
Pelican			
Pelican bonds		5,000,000	5,000,000
	US$	38,787,832	37,815,528

22. Financial instruments, continued

(a) Credit risk, continued

Other financial assets, continued

Cash and cash equivalents and short-term investments are placed with counterparties that are TCI regulated entities. Management does not expect the counterparties to fail to meet their obligations.

(b) Liquidity risk

Liquidity risk is the risk that NIB will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to NIB.

NIB's policy for managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated payments of benefits, as and when due, without incurring undue losses or risking damage to NIB's reputation.

NIB's financial assets include a long-term receivable which is generally illiquid.

In addition, NIB's deposits with TCI Bank are now subject to restrictions over their future redemption (note 25).

NIB also holds equity security investments which are subject to certain restrictions (note 23).

Consequently, NIB may not be able to liquidate some of its investments in these instruments quickly in order to meet its liquidity requirements.

NIB's U.S. equity securities are considered to be readily realisable, as they are listed on major United States stock exchanges with high liquidity and active trading. Similarly, NIB's non-U.S. equity securities, excluding certain investments in emerging market stocks, small-cap or thinly traded shares, and shares subject to local market restrictions or trading holidays, are also generally considered readily realisable. However, non-U.S. equities in less developed markets, or those with limited trading volumes or regulatory constraints, may be less liquid and could require additional time or conditions to be realised.

NIB's overall liquidity risks are monitored on a regular basis by the Investment Committee.

At the reporting date there were no significant concentrations of liquidity risk. NIB ensures that it has sufficient liquid financial assets comprising cash and cash equivalents and short-term investments to meet its current financial liabilities.

22. Financial instruments, continued

(b) Liquidity risk, continued

NIB's management believe the placing of TCI Bank into liquidation has not affected its ability to meet its current financial liabilities.

The following are the contractual maturities of non-derivative financial instruments, including estimated interest payments and the impact of netting agreements:

	2025					
	Carrying Amount	Contractual cash flows	Under 1 year	1-2 years	2-4 years	More than 4 years
	US$	US$	US$	US$	US$	US$
Cash and cash equivalents	45,270,258	45,270,258	45,270,258	–	–	–
Contributions and other receivables	10,456,028	10,456,028	10,456,028	–	–	–
Short-term investments	17,135,573	17,826,866	17,826,866	–	–	–
Financial assets measured at FVOCI	530,969,443	552,333,920	10,253,482	463,197,847	18,440,046	60,442,545
Long-term receivable	5,000,000	6,670,500	257,000	257,000	514,000	5,642,500
Accounts payable and accrued expenses	(1,366,741)	(1,366,741)	(1,366,741)	–	–	–
Accrued survivors' benefits	(936,527)	(936,527)	(936,527)	–	–	–
	606,528,034	630,254,304	81,760,366	463,454,847	18,954,046	66,085,045

	2024					
	Carrying Amount	Contractual cash flows	Under 1 year	1-2 years	2-4 years	More than 4 years
	US$	US$	US$	US$	US$	US$
Cash and cash equivalents	29,845,322	29,845,322	29,845,322	–	–	–
Contributions and other receivables	9,096,487	9,096,487	9,096,487	–	–	–
Short-term investments	13,516,440	13,973,279	13,973,279	–	–	–
Financial assets measured at FVOCI	489,891,771	520,281,702	2,393,300	437,880,758	7,457,370	72,550,274
Long-term receivable	5,000,000	6,927,500	257,000	257,000	514,000	5,899,500
Accounts payable and accrued expenses	(953,290)	(953,290)	(953,290)	–	–	–
Accrued survivors' benefits	(1,341,839)	(1,341,839)	(1,341,839)	–	–	–
	545,054,891	577,829,161	53,270,259	438,137,758	7,971,370	78,449,774

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect NIB's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

NIB's strategy for the management of market risk is driven by NIB's investment objectives as reflected in its IPS.

NIB's market risk is managed on a regular basis by the Investment Committee.

22. Financial instruments, continued

(c) Market risk, continued

Per the IPS NIB may not invest in margin transactions, acquisition of shares that would permit the portfolio to exercise control over the issuer, uncovered speculative positions and direct investments in physical commodities. In addition NIB may not invest in futures contracts and options and derivative investments without the specific approval of the Investment Committee.

(i) Interest rate risk

NIB's operations are subject to the risk of interest rate fluctuation to the extent that interest-earning assets mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with NIB's strategies.

At the reporting date, the interest rate profile of NIB's interest-bearing financial instruments was:

Cash flow sensitivity analysis for fixed rate instruments

		2025	2024
Fixed rate instruments:			
Financial assets			
Short-term investments	US$	17,135,573	13,516,440
Financial assets measured at FVOCI		75,520,230	59,991,525
Long-term receivable		5,000,000	5,000,000
Financial liabilities		–	–
	US$	97,655,803	78,507,965

A change of 100 basis points in interest rates for fixed rate instruments at the reporting date would have increased/(decreased) income in the statement of income, expense and reserves by US$976,558/(US$976,558) (2024: US$785,080/(US$785,080)) assuming all other variables remained constant.

While long-term deposits held at TCI Bank were interest bearing, following TCI Bank being placed into provisional liquidation on April 9, 2010, and liquidation on October 29, 2010, interest has ceased to accrue on these amounts and so they have therefore been excluded from the above analysis.

NIB's investment portfolio is permitted to utilise derivatives for hedging and income enhancing strategies. However, derivatives are not used to expressly employ leverage or other speculative strategies. Therefore, unless a specific type of security is allowed by the IPS, the Investment Manager must seek permission from the Investment Committee to invest in derivative instruments.

22. Financial instruments, continued

(c) Market risk, continued

(i) Interest rate risk, continued

Cash flow sensitivity analysis for variable rate instruments

		2025	2024
Variable rate instruments:			
Financial assets			
Cash and cash equivalents	US$	44,975,565	28,619,673
Financial liabilities		–	–
	US$	44,975,565	28,619,673

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) income in the statement of income, expenses and reserves by US$449,756/(US$449,756) (2024: US$286,197/(US$286,197) assuming all other variables remained constant.

NIB's interest rate risks are monitored on a regular basis by the Investment Committee and third party investment managers.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices other than those arising from interest rate risk, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

NIB's procedures require price risks to be monitored on a regular basis by the Investment Committee and third party investment managers.

NIB's policy over concentration of its investment portfolio profile, based on its current IPS, was as follows at March 31:

Asset Class	2025	2024
Cash and money market instruments	0–10%	0–10%
Non U.S. equities	5–30%	5–30%
Fixed income	10–40%	10–40%
Hedge Funds	5–20%	5–20%
U.S. equities		
Large cap value	6–15%	6–15%
Large cap growth	6–15%	6–15%
Mid cap growth	0– 5%	0– 5%
Small cap core	0– 5%	0– 5%
Convertibles	2– 8%	2– 8%
Private equity	5–20%	5–20%
Commodities	0%	0%

22. Financial instruments, continued

(c) Market risk, continued

(ii) Price risk, continued

The following table sets out concentration of the investment portfolio held by NIB at March 31:

		2025	
Asset Class According to IPS		Amount	%
Cash and money market instruments	US$	16,652,259	2.8%
Non U.S. equities		117,396,819	19.6%
Fixed income		87,632,230	14.7%
Hedge Funds		99,093,165	16.6%
U.S. equities			
Large cap value		76,612,333	12.8%
Large cap growth		73,071,727	12.2%
Mid cap		15,126,132	2.5%
Small cap		15,141,900	2.5%
Convertibles		23,330,048	3.9%
Private equity		71,360,720	11.9%
Commodities		2,952,473	0.5%
	US$	598,369,806	100.0%

		2024	
Asset Class According to IPS		Amount	%
Cash and money market instruments	US$	19,299,088	3.6%
Non U.S. equities		111,937,793	20.8%
Fixed income		79,326,871	14.7%
Hedge Funds		64,958,204	12.1%
U.S. equities			
Large cap value		77,356,899	14.4%
Large cap growth		58,812,487	10.9%
Mid cap growth		15,605,179	2.9%
Small cap core		15,499,013	2.9%
Convertibles		21,240,641	3.9%
Private equity		71,197,519	13.2%
Commodities		3,014,146	0.6%
	US$	538,247,840	100.0%

NIB kept its asset allocation, with the exception of commodities, within ranges recommended by the IPS at March 31, 2025 and March 31, 2024. Commodities are still allowable as an alternative investment strategy under the IPS.

The investment portfolio held by NIB at March 31, 2025 and March 31, 2024 was presented in these financial statements as follows:

22. Financial instruments, continued

(c) Market risk, continued

(ii) Price risk, continued

		2025	2024
Cash and cash equivalents			
Cash at investment managers	US$	28,612,531	10,540,541
Cash at banks – savings and current accounts		16,652,259	19,299,088
Short-term investments		17,135,573	13,516,440
Financial assets measured at FVOCI		530,969,443	489,891,771
Long-term receivable		5,000,000	5,000,000
	US$	598,369,806	538,247,840

Per the IPS cash held at investment managers is considered to be a component of financial assets measured at FVOCI.

Effective April 1, 2011 the long term deposits held with TCI Bank were written down to zero for IPS reporting purposes.

(iii) Fair value

The following table sets out the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include the fair value information for short-term financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Due to their short-term nature, the carrying amounts of certain of NIB's financial assets and liabilities approximate their fair value.

	2025			
	Carrying Amount	Level 1	Fair Value Level 2	Level 3
	US$	US$	US$	US$
Financial assets measured at FVOCI:				
Equity securities	455,449,213	299,506,425	155,942,788	–
Government debt securities	44,356,675	–	44,356,675	–
Corporate debt securities	31,163,555	–	31,163,555	–
Long-term receivable	5,000,000	–	–	5,000,000
	535,969,443	299,506,425	231,463,018	5,000,000

	2024			
	Carrying Amount	Level 1	Fair Value Level 2	Level 3
	US$	US$	US$	US$
Financial assets measured at FVOCI:				
Equity securities	429,900,246	296,667,697	133,232,549	–
Government debt securities	48,729,894	–	48,729,894	–
Corporate debt securities	11,261,631	–	11,261,631	–
Long-term receivable	5,000,000	–	–	5,000,000
	494,891,771	296,667,697	193,224,074	5,000,000

22. Financial instruments, continued

(c) Market risk, continued

(iii) Fair value, continued

Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value of investment in private equity funds is determined using unadjusted net asset value (level 2 valuation). The unadjusted net asset value is used when the units in a fund are redeemable at the reportable net asset value at, or approximately at, the measurement date.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NIB's equity securities at FVOCI, other than Hedge funds and Private Equity funds, are listed on US and non-US stock exchanges. For such investments, a twenty percent increase in value of all equity securities at FVOCI at the reporting date would have increased other comprehensive income in the statement of income, expenses and reserves by US$91,089,843 (2024: US$85,980,049) and an equal change in the opposite direction would have decreased other comprehensive income in the statement of income, expenses and reserves by US$91,089,843 (2024: US$85,980,049).

The method applied to determine the fair value of long-term receivable at the reporting date was a discounted cash flow model. This valuation model considers the present value of any expected payment, discounted using a risk-adjusted discount rate.

The value of NIB's investment holdings with TCI Bank has been reduced by management's best estimate following TCI Bank entering provisional liquidation and then liquidation. A 10% decrease in provision on the gross, non-secured, non-equity, balance would have increased the change in fair value and net income in the statement of income, expenses and reserves for the year by US$1.75 million (2024: US$1.75 million).

23. Commitments

(a) Capital commitments

At the reporting date NIB had committed to invest in the following hedge funds and private equity funds:

	At March 31, 2025		
	Commitment	Net Contributions	Remaining Commitment
	US$	US$	US$
Strategic Value Special Situations Feeder Fund III, L.P.	2,500,000	2,275,000	225,000
Portfolio Advisors Private Equity Fund 2015 (Offshore), L.P.	5,000,000	4,512,647	487,353
NB Strategic Co. – Investment Cayman Partners III L.P.	5,000,000	4,692,318	307,682
Portfolio Advisors Private Equity Fund 2017 (Offshore), L.P.	5,000,000	3,808,999	1,191,001
Pretium Residential Real Estate Fund II Offshore, L.P.	5,000,000	2,441,484	2,558,516
Madison International Real Estate Liquidity Fund VII (Intl), L.P.	5,000,000	4,858,516	141,484
EnTrustPermal Special Opportunities Fund IV Ltd.	5,000,000	4,283,432	716,568
Blackrock Private Opportunities Fund IV (Cayman), L.P.	5,000,000	4,058,969	941,031
Clover Private Credit Opportunities Secondary II Feeder LP and Clover Private Credit Opportunities Origination II Feeder LP	5,000,000	4,028,497	971,503
AG CS Non-U.S. Holdings Fund II, L.P. Fund IV Ltd.	5,000,000	4,552,055	447,945
Portfolio Advisors Private Equity Fund 2022 (Offshore), L.P.	8,000,000	5,169,472	2,830,528
iCapital-Apollo Overseas Partners X Access Fund, L.P.	1,000,000	341,334	658,666
KKR Ascendant Fund Private Investors (Offshore) L.P.	1,000,000	315,489	684,511
AlphaKeys EIL Fund, L.P.	10,000,000	3,365,000	6,635,000
Portfolio Advisors Private Equity Fund 2024 (offshore), L.P.	6,500,000	2,172,706	4,327,294
Global Infrastructure Partners V-C,L.P	6,500,000	988,805	5,511,195
Canyon Distressed Opportunity Fund III (Cayman), L.P.	5,000,000	3,821,274	1,178,726
	85,500,000	55,685,997	29,814,003

23. Commitments, continued

(a) Capital commitments, continued

	At March 31, 2024		
	Commitment	Net Contributions	Remaining Commitment
	US$	US$	US$
Strategic Value Special Situations Feeder Fund III, L.P.	2,500,000	2,275,000	225,000
Portfolio Advisors Private Equity Fund 2015 (Offshore), L.P.	5,000,000	4,265,147	734,853
NB Strategic Co. – Investment Cayman Partners III L.P.	5,000,000	4,676,296	323,704
Portfolio Advisors Private Equity Fund 2017 (Offshore), L.P.	5,000,000	3,643,841	1,356,159
Pretium Residential Real Estate Fund II Offshore, L.P.	5,000,000	2,441,484	2,558,516
Madison International Real Estate Liquidity Fund VII (Intl), L.P.	5,000,000	4,738,958	261,042
EnTrustPermal Special Opportunities Fund IV Ltd.	5,000,000	4,605,552	394,448
Blackrock Private Opportunities Fund IV (Cayman), L.P.	5,000,000	4,037,431	962,569
Clover Private Credit Opportunities Secondary II Feeder LP and Clover Private Credit Opportunities Origination II Feeder LP	5,000,000	3,380,194	1,619,806
AG CS Non-U.S. Holdings Fund II, L.P. Fund IV Ltd.	5,000,000	4,125,000	875,000
Portfolio Advisors Private Equity Fund 2022 (Offshore), L.P.	8,000,000	5,194,872	2,805,128
iCapital-Apollo Overseas Partners X Access Fund, L.P.	1,000,000	205,000	795,000
KKR Ascendant Fund Private Investors (Offshore) L.P.	1,000,000	–	1,000,000
AlphaKeys EIL Fund, L.P.	10,000,000	–	10,000,000
	67,500,000	43,588,775	23,911,225

The obligation to invest in each fund is irrevocable and NIB has no right to withdraw from the partnership except as specifically provided in each partnership agreement. At March 31, 2025 NIB had a remaining total investment commitment of US$29,814,003 (2024: US$23,911,225).

(b) Services Agreement

On May 13, 2022, NIB entered into a services agreement (the Agreement) with a third party contractor (the Contractor) to implement a new Enterprise Operations Management System, including annual software subscriptions, software purchase, software support, biometric hardware, Azure services, implementation services, training and related support. The total contractual amount of the Agreement is US$1,449,007.

23. Commitments, continued

(b) Services Agreement, continued

The performance of the services was to commence within thirty days of execution of the Agreement and payment of the retainer by NIB to the Contractor. The Agreement may be terminated by NIB by providing two weeks' notice to the Contractor in accordance with the terms and conditions of the Agreement.

At March 31, 2025 the remaining contract commitment was US$369,383 (2024: US$618,151). The total amount paid to the Contractor for the year end relating to the Agreement was US$248,768 (2024: US$401,373).

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by NIB are recognised as an intangible asset. If an intangible item does not meet the definition of, and the criteria for, recognition as an intangible asset, NIB requires any expenditure on this item to be recognised as an expense when it is incurred. In addition, costs associated with maintaining computer software programmes are recognised as an expense as incurred.

At March 31, 2025 software related expenses paid to the Contractor amounting to US$810,900 (2024: US$636,073) were recognized by NIB as an intangible asset.

(c) National Insurance Shared Services (NISS)

A Memorandum of Understanding (MOU) between NIB and NHIB in relation to NISS was agreed and signed on April 10, 2024. The objective of the MOU was to set out a framework whereby the NIB and NHIB, to the fullest extent allowed by the laws of TCI and in a spirit of cooperation and mutual interest, would share in the delivery of registration, collection and compliance services to the public, utilizing a new information technology system on a shared platform. The approval of a NISS was granted by the TCI Cabinet in November 2022.

At March 31, 2025 the total cost incurred by NIB in relation to NISS was US$1,018,950 (2024: US$837,534), 50% of which is shared with NHIB.

24. Contingent liabilities

In the ordinary course of its activities NIB is a party to several legal actions. NIB is contingently liable for costs and damages in the event of any adverse finding by the TCI court (the Court) in relation to any of these legal actions. However, it is not possible to predict the decision of the Court or estimate the amount of such awards, if any. Accordingly, no provision has been made in these financial statements regarding these legal proceedings. Management is of the opinion that the resolution of these matters will not have a material impact on NIB's financial statements.

25. Long-term deposits and Investment with TCI Bank Limited

TCI Bank Limited (TCI Bank) was placed into provisional liquidation on April 9, 2010 and liquidation on October 29, 2010. At these dates NIB held an investment in, and a current account and certificates of deposit with, TCI Bank.

(a) Long-term deposits

As at March 31, 2025, NIB held long-term deposits with TCI Bank comprising a current account and certificates of deposit totaling US$17.35 million (2024: US$17.35 million). These deposits have been subject to impairment following TCI Bank being placed into liquidation. At March 31, 2025, NIB applied a 38% (2024: 38%) reduction in fair value to the total deposits, consistent with management's best estimate of recoverability under the circumstances. Between 2012 and 2023, NIB received four interim distributions from the liquidator totaling US$10.76 million, which included payments against the current account and certificates of deposit. These distributions reduced the net balance of deposits to US$6.59 million. However, due to the fair value adjustment, the carrying value of these deposits remains at US$nil as at March 31, 2025 and 2024.

		2025	2024
Current account	US$	53,849	53,849
Certificates of deposit		17,298,642	17,298,642
		17,352,491	17,352,491
Less: first, second, third and fourth interim distributions			
Current account		(33,399)	(33,399)
Certificates of deposit		(10,729,085)	(10,729,085)
		(10,762,484)	(10,762,484)
Balance			
Current account		20,450	20,450
Certificates of deposit		6,569,557	6,569,557
		6,590,007	6,590,007
Less: change in fair value			
Current account		(20,450)	(20,450)
Certificates of deposit		(6,569,557)	(6,569,557)
		(6,590,007)	(6,590,007)
Carrying value			
Current account		–	–
Certificates of deposit		–	–
	US$	–	–

25. Long-term deposits and Investment with TCI Bank Limited, continued

(b) Investment in TCI Bank Limited

At March 31, 2025 NIB owned 2,000,000 (2024: 2,000,000) ordinary shares in TCI Bank with an issued value of US$2,000,000 (2024: US$2,000,000), representing approximately 15.95% of the total issued ordinary shares of TCI Bank.

NIB was represented on the board of directors of TCI Bank.

The fair value of NIB's investment in TCI Bank was assessed by NIB's management to be US$nil at March 31, 2025 (2024: US$nil) as a consequence of TCI Bank entering liquidation.

(c) Status of TCI Bank liquidation

The thirtieth report of the Official Liquidator for TCI Bank, covering January 2025 to June 2025, details ongoing progress in the bank's liquidation. Four dividend distributions totaling 62 cents on the dollar have been made to unsecured creditors since liquidation began. The report anticipates that, subject to the resolution of two litigation matters and the sale of remaining properties, a further dividend distribution will be paid during the completion phase, with subsequent half-yearly reports planned for December 31, 2025, and June 30, 2026, to update on final distributions and closure.

26. Subsequent event

Legal notice

Subsequent to the reporting date, new National Insurance legislation came into operation which will have an impact on NIB's subsequent financial years. Specifically, the National Insurance (Contributions)(Amendment) Regulations 2024. Legal notice 65 of 2024. These Regulations amended regulation 24 of the National Insurance (Contributions) Regulations to reduce the monthly penalty rate from 3% to 1.5% for failure to pay any contribution within the prescribed provided. This amendment came into operation on May 31, 2025.

Financial Statements of

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Year ended March 31, 2024

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD
Financial Statements

Year ended March 31, 2024

Baker Tilly Ltd.
18 The Village at Grace Bay
PO Box 357
Providenciales
Turks and Caicos Islands
B.W.I.

T: +649 946 4613

admin@bakertilly.tc
www.bakertilly.tc

INDEPENDENT AUDITORS' REPORT

To the Directors of the Turks and Caicos Islands National Insurance Board:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Turks and Caicos Islands National Insurance Board (NIB), which comprise the statement of financial position as at March 31, 2024, the statements of income, expenses and reserves, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NIB as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 NIB 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 15 to these financial statements.

For promised retirement benefits NIB has elected to apply International Accounting Standard 26, '*Accounting and Reporting by Retirement Benefit Plans'*, as its accounting policy for these benefits, which requires the actuarial present value of promised retirement benefits to be recognised on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has chosen to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements.

Emphasis of Matter, continued

NIB's last two actuarial reviews were at March 31, 2022 and March 31, 2019. The actuarial present value of promised retirement benefits was US$787 million at March 31, 2022 (2019: US$636 million). NIB had total reserves of US$418 million at March 31, 2022 (2019: US$282 million). At March 31, 2022 there was therefore a shortfall of US$369 million (2019: US$354 million) between the total reserves and the actuarial present value of promised retirement benefits.

In May 2023, the Board of NIB approved and implemented NIB's Funding Policy. NIB adopted three different funding methods. The Partially Funded Method is considered to be NIB's primary funding method as it has been adopted for the Long-Term Benefit Branch which dominates the National Insurance Fund. The Pay-as-you-Go with a small reserve Method has been adopted for the Short-Term Benefit Branch and for certain benefits of the Employment Injury Branch. The Full Funded Method has been adopted for the Employment Injury Branch for long-term risks. More information on the new Funding Policy can be found at note 16 to these financial statements.

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, 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 NIB'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 NIB or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NIB'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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors’ Responsibilities for the Audit of the Financial Statements, continued

- 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 NIB’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 NIB’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 NIB 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.

<u>Report on Other Legal and Regulatory Requirements</u>

In accordance with the requirements of the Turks and Caicos Islands’ National Insurance Act 1991 and National Insurance (Financial and Accounting) Regulations (hereafter referred to collectively as ‘the Act’), we confirm that the presentation, structure and content of the financial statements of NIB as at March 31, 2024 and for the year then ended are consistent with the requirements of the Act.

<u>Intended Use of Report</u>

This report is intended solely for the information and use of the Minister of Finance of the Turks and Caicos Islands (TCI), TCI’s legislative body and the Directors of NIB and should not be relied on by anyone other than these specified parties.

Baker Tilly Ltd.

Chartered Accountants

Providenciales, Turks and Caicos Islands

April 24, 2025

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Financial Position

At March 31, 2024
with comparative figures at March 31, 2023

		2024	2023
Assets			
Current assets:			
Cash and cash equivalents (note 5)	US$	29,845,322	38,339,020
Contributions and other receivables (note 6)		9,096,487	7,104,386
Short-term investments (note 7)		13,516,440	9,930,856
Other assets		217,542	257,894
Current portion of long-term deposits (note 11)		–	1,218,614
		52,675,791	56,850,770
Non-current assets:			
Financial assets measured at fair value through other comprehensive income (FVOCI) (note 8)		489,891,771	397,358,778
Long-term receivable (note 9)		5,000,000	5,000,000
Property and equipment (note 10)		6,512,353	2,495,350
Intangible asset (note 25(c))		636,073	397,021
Long-term deposits (note 11)		–	–
		502,040,197	405,251,149
	US$	554,715,988	462,101,919
Liabilities and Reserves			
Current Liabilities:			
Accounts payable and accrued expenses (note 13)	US$	953,290	973,072
Accrued survivors' benefits (note 14)		1,341,839	–
		2,295,129	973,072
Non-current liabilities:			
Provisions for long-term benefits, other than promised retirement benefits (note 15)		48,821,000	48,644,000
		51,116,129	49,617,072
Reserves:			
Long-term benefit branch		330,184,157	274,263,897
Short-term benefit branch		75,355,162	58,055,148
Employment injury benefit branch			
Disablement and death benefit		97,911,982	80,000,580
Employment injury benefit (note 16)		148,558	165,222
		503,599,859	412,484,847
	US$	554,715,988	462,101,919

The accompanying notes are an integral part of these financial statements.

These financial statements were approved on behalf of the Board of Directors on April 24, 2025 by the following:

Trevor Cooke Chairman Floyd Seymour Chairman of Audit Committee

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserves

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

		2024	2023
Income:			
Contributions:			
Private sector	US$	63,629,038	54,586,624
Civil servants		2,911,162	2,602,422
Self employed		1,565,866	1,526,108
Voluntary		142	216
		68,106,208	58,715,370
Income from, and net realised gains on, financial assets measured at FVOCI (note 17)		8,790,766	8,292,945
Interest and other income (note 18)		1,056,864	706,823
Surcharges (note 6)		1,026,124	987,045
Impairment recovery on assets with TCI Bank (note 11)		–	354,009
		78,979,962	69,056,192
Expenses:			
Benefits (note 19)		(36,566,390)	(28,268,641)
General and administrative expenses (note 20)		(6,928,205)	(6,253,547)
Investment expenses (note 21)		(2,237,923)	(2,167,596)
Change in provisions for long-term benefits, other than promised retirement benefits (note 15)		(177,000)	(5,938,000)
		(45,909,518)	(42,627,784)
Net income before other comprehensive income/(loss)		33,070,444	26,428,408
Other comprehensive income/(loss):			
Net realised gain/(loss) on equity securities at FVOCI		10,095,119	(1,607,233)
Net change in fair value of financial assets measured at FVOCI (note 22)		47,949,449	(30,211,873)
		58,044,568	(31,819,106)
Net income/(loss) for year	US$	91,115,012	(5,390,698)
Net income/(loss) for year transferred to:			
Long-term benefit branch reserve	US$	55,920,260	(7,621,367)
Short-term benefit branch reserve		17,300,014	4,625,432
Employment injury benefit reserve		(16,664)	27,898
Disablement and death benefit reserve		17,911,402	(2,422,661)
	US$	91,115,012	(5,390,698)

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserve
Long-Term Benefit Branch

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

		2024	2023
Income:			
Contributions:			
Private sector	US$	46,275,664	38,210,637
Civil servants		2,294,512	1,990,924
Self employed		1,391,881	1,335,344
Voluntary		142	216
		49,962,199	41,537,121
Income from, and net realised gains on, financial assets measured at FVOCI		5,845,038	5,594,151
Surcharges		705,460	678,593
Interest and other income		702,716	476,799
Impairment recovery on assets with TCI Bank		–	238,803
		57,215,413	48,525,467
Expenses:			
Benefits (note 19)		(32,878,462)	(24,861,633)
General and administrative expenses		(4,641,897)	(4,189,876)
Investment expenses		(1,488,010)	(1,462,189)
Change in provisions for long-term benefits, other than promised retirement benefits (note 15)		(881,000)	(4,169,000)
		(39,889,369)	(34,682,698)
Net income before other comprehensive income/(loss)		17,326,044	13,842,769
Other comprehensive income/(loss):			
Net realised gain/(loss) on equity securities at FVOCI		6,712,311	(1,084,188)
Net change in fair value of financial assets measured at FVOCI		31,881,905	(20,379,948)
		38,594,216	(21,464,136)
Net income/(loss) for year	US$	55,920,260	(7,621,367)

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD
Statement of Income, Expenses and Reserve
Short-Term Benefit Branch

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

		2024	2023
Income:			
Contributions:			
Private sector	US$	11,568,916	10,917,325
Civil servants		329,836	327,080
Self employed		173,985	190,764
		12,072,737	11,435,169
Income from, and net realised gains on, financial assets measured at FVOCI		1,237,256	1,060,339
Surcharges		166,745	160,395
Interest and other income		148,748	90,375
Impairment recovery on assets with TCI Bank		–	45,264
		13,625,486	12,791,542
Expenses:			
Benefits (note 19)		(3,002,180)	(2,757,455)
General and administrative expenses		(1,177,795)	(1,063,103)
Investment expenses		(314,976)	(277,150)
		(4,494,951)	(4,097,708)
Net income before other comprehensive income/(loss)		9,130,535	8,693,834
Other comprehensive income/(loss):			
Net realised gain/(loss) on equity securities at FVOCI		1,420,837	(205,501)
Net change in fair value of financial assets measured at FVOCI		6,748,642	(3,862,901)
		8,169,479	(4,068,402)
Net income for year	US$	17,300,014	4,625,432

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Income, Expenses and Reserves
Employment Injury Benefit Branch

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

		2024	2023
Income:			
Contributions:			
Private sector	US$	5,784,458	5,458,662
Civil servants		286,814	284,418
		6,071,272	5,743,080
Income from, and net realised gains on, financial assets measured at FVOCI		1,708,472	1,638,455
Interest and other income		205,400	139,649
Surcharges		153,919	148,057
Impairment recovery on assets with TCI Bank		–	69,942
		8,139,063	7,739,183
Expenses:			
General and administrative expenses		(1,108,513)	(1,000,568)
Change in provisions for long-term benefits, other than promised retirement benefits (note 15)		704,000	(1,769,000)
Benefits (note 19)		(685,748)	(649,553)
Investment expenses		(434,937)	(428,257)
		(1,525,198)	(3,847,378)
Net income before other comprehensive income/(loss)		6,613,865	3,891,805
Other comprehensive income/(loss):			
Net realised gain/(loss) on equity securities at FVOCI		1,961,971	(317,544)
Net change in fair value of financial assets measured at FVOCI		9,318,902	(5,969,024)
		11,280,873	(6,286,568)
Net income/(loss) for year	US$	17,894,738	(2,394,763)
Net income/(loss) for year transferred to:			
Employment injury benefit reserve	US$	(16,664)	27,898
Disablement and death benefit reserve		17,911,402	(2,422,661)
	US$	17,894,738	(2,394,763)

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Changes in Reserves

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

			Employment Injury Benefit Branch		
	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment injury benefit	Disablement and death benefit	Total
	US$	US$	US$	US$	US$
Balance at April 1, 2022	281,885,264	53,429,716	137,324	82,423,241	417,875,545
Transfer from net loss for year	(7,621,367)	4,625,432	27,898	(2,422,661)	(5,390,698)
Balance at March 31, 2023	274,263,897	58,055,148	165,222	80,000,580	412,484,847
Balance at April 1, 2023	274,263,897	58,055,148	165,222	80,000,580	412,484,847
Transfer from net income for year	55,920,260	17,300,014	(16,664)	17,911,402	91,115,012
Balance at March 31, 2024	330,184,157	75,355,162	148,558	97,911,982	503,599,859

The accompanying notes are an integral part of these financial statements.

TURKS AND CAICOS ISLANDS NATIONAL INSURANCE BOARD

Statement of Cash Flows

Year ended March 31, 2024
with comparative figures for year ended March 31, 2023

		2024	2023
Cash flows from operating activities:			
Net income before other comprehensive income	US$	33,070,444	26,428,408
Adjustments for:			
Gain on disposal of property and equipment		(3,000)	–
Depreciation of property and equipment (note 10)		309,586	371,142
Interest income (note 18)		(895,143)	(500,660)
Recovery on long-term deposits (note 11)		–	(350,990)
Brokers' fees on financial assets measured at FVOCI (note 21)		2,195,763	2,124,936
Income from, and net realised gains on, financial assets measured at FVOCI (note 17)		(8,790,766)	(8,292,945)
		25,886,884	19,779,891
Changes in operating assets:			
Change in contributions and other receivables, net of interest receivable (net)		(1,744,198)	(2,609,672)
Change in other assets		40,352	(192,200)
Changes in operating liabilities:			
Change in accounts payable and accrued expenses		(19,782)	35,430
Change in accrued survivors' benefits		1,341,839	–
Change in provisions for long-term benefits, other than promised retirement benefits		177,000	5,938,000
Net cash from operating activities		25,682,095	22,951,449
Cash flows used in investing activities:			
Change in short-term investments		(3,585,584)	(5,389,074)
Net additions to financial assets measured at FVOCI		(74,719,845)	(143,680,018)
Net proceeds from financial assets measured at FVOCI		46,826,423	121,544,163
Interest income received		647,240	479,225
Additions to property and equipment		(4,326,589)	(100,770)
Proceeds from disposal of property and equipment		3,000	–
Additions to intangible asset		(239,052)	(397,021)
Collection of long-term deposits		1,218,614	–
Net cash used in investing activities		(34,175,793)	(27,543,495)
Net decrease in cash and cash equivalents		(8,493,698)	(4,592,046)
Cash and cash equivalents at beginning of year		38,339,020	42,931,066
Cash and cash equivalents at end of year	US$	29,845,322	38,339,020

The accompanying notes are an integral part of these financial statements.

1. General information

The Turks and Caicos Islands National Insurance Board (NIB) is a body corporate established in the Turks and Caicos Islands (TCI) on April 6, 1992 pursuant to section 27 of the National Insurance Act 1991 (the Act), as revised. NIB's primary purpose is to control and manage the National Insurance Fund ("the Fund") established under section 46 of the Act so as to provide various benefits to persons insured under the Act.

NIB's registered office address is at the Hon. L. Headley Durham building, Grand Turk, TCI.

2. Basis of preparation

(a) Statement of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Act.

Details of NIB's significant accounting policies are included at note 3.

These financial statements have been prepared on a fair value basis for all assets held for investment purposes and under the historical cost convention for all other assets and liabilities.

The methods used to measure fair values are discussed further at note 4.

(b) Functional and presentation currency

These financial statements are presented in United States (US) dollars, which is NIB's functional currency. All financial information presented in US dollars has been rounded to the nearest dollar, unless otherwise indicated.

(c) Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

2. Basis of preparation, continued

(c) Use of estimates and judgements, continued

- Note 3(f)(i) – Impairment
- Note 6 – Contributions and other receivables
- Note 11 – Long-term deposits
- Note 12 – Investment in TCI Bank Limited
- Note 15 – Actuarial review

These financial statements have been prepared on a going concern basis. No adjustments or reclassifications have been made that might be necessary if a basis of accounting other than a going concern basis were to be used.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's financial statement presentation.

(a) Non-derivative financial instruments

(i) Recognition and initial measurement

NIB initially recognises accounts receivable and debt securities on the date they are originated. All other financial assets and financial liabilities (including regular-way purchases and sales of financial assets) are initially recognised on the trade date when NIB becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.

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

3. Significant accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets, continued

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

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

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

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

On initial recognition of an equity investment that is not held for trading, NIB may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

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

NIB has the following financial assets measured at amortised cost: cash and cash equivalents, contributions and other receivables, short-term investments, long-term receivable and long-term deposits.

Cash and cash equivalents comprise cash at investment managers, cash at banks - savings and current accounts, cash on hand and certificate of deposit.

Cash equivalents are short-term highly liquid investments with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change of value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Contributions and other receivables comprise outstanding contributions from private employers and the self-employed, surcharges receivable, other receivables and interest receivable.

3. Significant accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets, continued

Long-term deposits are designated as FVTPL to comply with the requirements of International Accounting Standard 26, *Accounting and Reporting by Retirement Benefit Plans,* (IAS 26).

Financial assets – Business model assessment

NIB makes an assessment of the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to NIB's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior years, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with NIB's continuing recognition of the assets.

Financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and financial assets that are held for trading, are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

3. Significant accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time - e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features;
- terms that limit NIB's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the 'solely payments of principal and interest' criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in the statement of income, expenses and reserves. Any gain or loss on derecognition is also recognised in the statement of income, expenses and reserves.

3. Significant accounting policies, continued

(a) Non-derivative financial instruments, continued

(ii) Classification and subsequent measurement, continued

Financial assets – Subsequent measurement and gains and losses, continued

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of income, expenses and reserves.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, realised gains and impairment are recognised in the statement of income, expenses and reserves. Other net gains and losses are recognised in other comprehensive income in the statement of income, expenses and reserves.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognised as income in the statement of income, expenses and reserves unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income in the statement of income, expenses and reserves.

Non-derivative financial liabilities – Classification, subsequent measurement and gains and losses

Non-derivative financial liabilities are classified as measured at amortised cost. These are subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised in the statement of income, expenses and reserves. Any gain or loss on derecognition is also recognised in in the statement of income, expenses and reserves.

NIB's non-derivative financial liabilities are accounts payable and accrued expenses and accrued survivors' benefits.

(iii) Derecognition

Financial assets

NIB derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which NIB neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3. Significant accounting policies, continued

(a) Non-derivative financial instruments, continued

(iii) Derecognition, continued

Financial assets, continued

NIB enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

NIB generally derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. NIB also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of income, expenses and reserves.

(iv) Offsetting

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

Income and expenses are presented on a net basis only when it is required or permitted by a standard.

(b) Provisions

A provision is recognised if, as a result of a past event, NIB has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Per IAS 26, NIB has an option as to whether it discloses the actuarial present value of promised retirement benefits on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report.

3. Significant accounting policies, continued

(b) Provisions, continued

NIB has elected to disclose the actuarial present value of promised retirement benefits in a note to the financial statements (note 15). This actuarial present value is calculated every three years. The latest valuation was performed as at March 31, 2022.

The actuarial present value of long-term benefits, other than promised retirement benefits, is calculated annually by an independent actuary and was most recently quantified at March 31, 2024 (note 15) and recognised in NIB's financial statements in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and IAS 1, *Presentation of Financial Statements*.

(c) Property and equipment

(i) Recognition and measurement

Property and equipment are measured at cost less accumulated depreciation and impairment losses (note 3(f)(ii)).

Cost includes expenditures that are directly attributable to the acquisition of property and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses arising from the disposal of property and equipment are reflected in the statement of income, expenses and reserves.

(ii) Subsequent costs

The cost of replacing an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to NIB and its cost can be reliably measured. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property and equipment is recognised in the statement of income, expenses and reserves, as incurred.

(iii) Depreciation

Depreciation is recognised in the statement of income, expenses and reserves on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Freehold land is not depreciated.

3. Significant accounting policies, continued

(c) Property and equipment, continued

(iii) Depreciation, continued

Estimated useful lives for the current and comparative periods are as follows:

Buildings	25 years
Leasehold land	Over term of the lease
Furniture & Fixtures	3-10 years
Computer Equipment	3-10 years
Motor Vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if necessary.

(d) Reserves

The TCI National Insurance (Financial and Accounting) Regulations (the Regulations) require benefits and reserves to be grouped into three separate benefit branches (the Benefit Branches) and four reserves, respectively, as follows:

(i) Long-Term Benefit Branch, comprising retirement benefit, invalidity pension, survivors' benefit, funeral grant and non-contributory old age pension.

A Long-Term Benefit Reserve is constituted by annually transferring the excess of income over expenses of the Long-Term Benefit Branch.

(ii) Short-Term Benefit Branch, comprising unemployment benefit, sickness benefit and maternity benefit.

A Short-Term Benefit Reserve is constituted by annually transferring the excess of income over expenses of the Short-Term Benefit Branch.

(iii) Employment Injury Benefit Branch, comprising injury benefit, disablement benefit, death benefit, death grant payable on death due to employment injury and medical care.

An Employment Injury Benefit Reserve is constituted to finance employment injury benefit, disablement grant, death grant and medical care by annually transferring that part of the net income of the Employment Injury Benefit Branch that is sufficient to maintain the level of the reserve at one-half of the amount paid for the said benefits in the two previous financial years.

(iv) After the aforementioned transfer to the Employment Injury Benefit Reserve has been made in accordance with the Regulations the remaining net income of the Employment Injury Benefit Branch is transferred annually to the Disablement and Death Benefit Reserve.

Further information on the allocation of income and expenses to the reserves is provided at note 3(e)(v).

3. Significant accounting policies, continued

(e) Revenue and expense recognition

(i) Contribution and surcharge income

Contribution income is recognised on an accruals basis, at the requisite statutory rates, utilising employer monthly contribution statements, which are settled in arrears.

Surcharges are recognised on an accruals basis at the requisite statutory rates.

(ii) Rental income

Rental income is recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iii) Investment income

Investment income comprises interest income on funds invested (including financial assets measured at FVOCI), dividend income, gains on the disposal of financial assets measured at FVOCI and change in fair value of financial assets measured at FVOCI.

Interest income is recognised in the statement of income, expenses and reserves as it accrues, using the effective interest rate method.

Dividend income is recognised in the statement of income, expenses and reserves on the date that NIB's right to receive payment is established, which, in the case of quoted securities, is the ex-dividend date.

Gains or losses on the disposal of financial assets measured at FVOCI are included in the statement of income, expenses and reserves in the period in which they arise.

(iv) Benefits, general and administrative expenses

Expenditure on benefits is recognised when NIB's obligation to make a payment has been established, which is generally upon approval of a claim.

General and administrative expenses are recognised on an accruals basis.

Long-term benefits (other than provisions for long-term benefits), such as retirement pension, old age non contributory, survivors, invalidity pension, retirement, funeral and survivors grants are generally recognised upon approval of a claim subject to the provisions of sections 3(1), 54(1), 14(1), 7(1), 3(4), 20(1) and 14(2) of the TCI National Insurance (Benefit) Regulations (the Benefit Regulations), respectively.

Short-term benefits (other than provisions for short-term benefits), such as unemployment, maternity allowance, sickness and maternity grants are generally recognised upon approval of a claim subject to the provisions of sections 29(1), 22(1) and 33(1) of the Benefit Regulations, respectively.

3. Significant accounting policies, continued

(e) Revenue and expense recognition, continued

(iv) Benefits, general and administrative expenses, continued

Employment injury benefits (other than provisions for employment injury benefits), such as disablement, death and injury are generally recognised upon approval of a claim subject to the provisions of sections 40(1), 45 and 35(1) of the Benefit Regulations, respectively.

As disclosed at notes 3(b), 3(i) and 15, NIB has elected to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements as permitted per IAS 26. An actuarial valuation is performed every 3 years. The latest valuation was performed as at March 31, 2022. Certain results of the actuarial valuation as at March 31, 2022 are disclosed further at note 15.

The actuarial present value of long-term benefits, other than promised retirement benefits, was quantified by an independent actuary at March 31, 2024 and 2023 (note 15) and recognised in NIB's financial statements in accordance with IAS 37.

(v) Basis of apportionment of income and expenses

The statutory rates of total contributions, which are applied on an employed and self-employed person's earnings and stipulated under sections 4, 14 and 19 of the TCI National Insurance (Contributions) Regulations (the Contributions Regulations), for the year ended March 31, 2024 were as follows: Civil Servants 10.15%; Private Sector (general) 11.00%; Private Sector (under section 4(3) of the Contributions Regulations) 2.50% and (under section 4(4) of the Contributions Regulations) 1.20%; Self Employed 9.00%; and Voluntary 10.00% (2023: Civil Servants 9.15%; Private Sector (general) 10.00%; Private Sector (under section 4(3) of the Contributions Regulations) 2.50% and (under section 4(4) of the Contributions Regulations) 1.20%; Self Employed 8.00%; and Voluntary 10.00%

In addition to the increase in contribution rates for the year ended March 31, 2024 further incremental increases in the current contribution rates with effect from April 1, 2024 will be as follows:

	April 1, 2024
Private Sector	12%
Employer/Employee:	6.5% / 5.5%
Civil Servants	11.15%
Employer/Employee:	6.075% / 5.075%
Self Employed	10%

3. Significant accounting policies, continued

(e) Revenue and expense recognition, continued

(v) Basis of apportionment of income and expenses, continued

Sections 4(3) and 4(4) of the Contributions Regulations relate to the employment of a temporary resident and employment of an insured person sixty years and older and who is in receipt of a retirement pension whose contributions are payable at a rate of 2.5% and 1.20%, respectively, and not the standard 11% for all other private sector workers.

Section 13(1) of the Regulations provides that the aforementioned total contribution and surcharge income (note 3(e)(i)) shall be allocated among the Benefit Branches as follows:

Year ended March 31, 2024

Contributions from:	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment Injury Benefit Branch
Civil Servants	8.00 / 10.15	1.15 / 10.15	1.00 / 10.15
Private Sector (general)	8.00 / 11.00	2.00 / 11.00	1.00 / 11.00
Private Sector (under section 4(3) of the Contributions Regulations)	–	1.30 / 2.50	1.20 / 2.50
Private Sector (under section 4(4) of the Contributions Regulations)	–	–	1.20 / 11.00
Self Employed	8.00 / 9.00	1.00 / 9.00	–
Voluntary	10.00 / 10.00	–	–

Year ended March 31, 2023

Contributions from:	Long-Term Benefit Branch	Short-Term Benefit Branch	Employment Injury Benefit Branch
Civil Servants	7.00 / 9.15	1.15 / 9.15	1.00 / 9.15
Private Sector (general)	7.00 / 10.00	2.00 / 10.00	1.00 / 10.00
Private Sector (under section 4(3) of the Contributions Regulations)	–	1.30 / 2.50	1.20 / 2.50
Private Sector (under section 4(4) of the Contributions Regulations)	–	–	1.20 / 10.00
Self Employed	7.00 / 8.00	1.00 / 8.00	–
Voluntary	10.00 / 10.00	–	–

3. Significant accounting policies, continued

(e) Revenue and expense recognition, continued

(v) Basis of apportionment of income and expenses, continued

Section 13(2) of the Regulations provides that income from investment of reserves shall be allocated to the Benefit Branches in proportion to the amount of the reserve of each Benefit Branch at the beginning of the respective year.

Investment income and expenses for the year ended March 31, 2024 and 2023 were allocated as follows:

	2024	2023
Long-Term Benefit Branch	66.49%	67.46%
Short-Term Benefit Branch	14.07%	12.78%
Employment Injury Benefit Branch	19.44%	19.76%
	100.00%	100.00%

Section 14(1) of the Regulations provides that expenditure on each benefit shall be ascribed to the appropriate branch.

Section 14(2) of the Regulations provides that the administrative expenditure of NIB shall be distributed among the Long-Term Benefit Branch, Short-Term Benefit Branch and Employment Injury Benefit Branch in the proportion of 67%, 17% and 16%, respectively.

(f) Impairment

(i) Non-derivative financial assets

NIB recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt securities at FVOCI.

NIB measures loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognised is 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments (other than contributions and other receivables) for which credit risk has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas a 12-month ECL is that part of an ECL that results from default events that are possible within the 12 months after the reporting date.

In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which NIB is exposed to credit risk.

3. Significant accounting policies, continued

(f) Impairment, continued

(i) Non-derivative financial assets, continued

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date*: the present value of all cash shortfalls - i.e. the difference between the cash flows due to NIB in accordance with the Contributions Regulations and certain contracts and the cash flows that NIB expects to receive; and
- *Financial assets that are credit-impaired at the reporting date*: the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, NIB assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes, but is not restricted to, the following observable data:

- significant financial difficulty of the contributor, borrower or issuer;
- a breach of the Contributions Regulations and certain contracts such as a default or past-due event;
- the restructuring of an amount due to NIB on terms that NIB would not otherwise consider;
- it is probable that the contributor or borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financial asset that has been renegotiated due to a deterioration in the contributor or borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

3. Significant accounting policies, continued

(f) Impairment, continued

(i) Non-derivative financial assets, continued

Credit-impaired financial assets, continued

In assessing whether an investment in debt securities is credit-impaired, NIB considers the following factors:

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

Presentation of allowances on the statement of financial position

Loss allowances for ECLs are presented as follows:

- *Financial assets measured at amortised cost*: the loss allowance is deducted from the gross carrying amount of the assets; and
- *Debt investments at FVOCI*: the loss allowance is recognised in other comprehensive income/reserves and does not reduce the carrying amount of the financial asset on the statement of financial position.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when NIB determines that the contributor or borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with NIB's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, NIB reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

3. Significant accounting policies, continued

(f) Impairment, continued

(ii) Non-financial assets, continued

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement of income, expenses and reserves.

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

(g) Leases

(i) As a lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Dual-use assets that are partially leased out under operating leases are included in property and equipment on the statement of financial position. Rental income is recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease.

(ii) As a lessee

- *Lease term is 12 months or less or the underlying asset has a low value.*

  Rental expenses are recognised in the statement of income, expenses and reserves on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total rental expenses, over the term of the lease, if any.

3. Significant accounting policies, continued

(g) Leases, continued

(ii) As a lessee, continued

- *Lease term is more than 12 months or the underlying asset has a high value.*

  Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are recognised on the statement of financial position of NIB unless the lease term is 12 months or less or the underlying asset has a low value. NIB recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments on the statement of financial position.

  The right-of-use asset is initially measured at cost, which is the present value of the lease payments that are not paid at that date, and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

  Depreciation of a right-of-use asset and interest on the lease liability is recognised in the statement of income, expenses and reserves over the lease term, and payment of principal and interest on the lease liability is presented separately within financing activities in the statement of cash flows.

(h) Taxation

Under current TCI law, NIB is not required to pay any taxes in TCI on either income or capital gains. Consequently, no tax liability or expense has been recorded in these financial statements.

(i) Actuarial present value of promised retirement benefits

IAS 26 permits the recognition of promised retirement benefits on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has elected to recognise the actuarial present value of its promised retirement benefits in the notes to the financial statements (note 15). The actuarial present value of other long-term benefits has been recognised as a liability on the statement of financial position for all reporting periods.

3. Significant accounting policies, continued

(j) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

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

- has control or joint control over the reporting entity;
- has significant influence over the reporting entity; or
- is a member of the key management personnel of the reporting entity, or of a parent of the reporting entity.

(ii) An entity is related to a reporting entity if any of the following conditions apply:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled, or jointly controlled, by a person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related party transactions pertain to transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(k) New standards, amendments and interpretations to published standards not yet adopted

The following are new standards, amendments and interpretations to published standards, issued but not effective for the financial year beginning April 1, 2023 and not early adopted by NIB:

3. Significant accounting policies, continued

(k) New standards, amendments and interpretations to published standards not yet adopted, continued

(i) Effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16, *Leases*) – The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale.

- Supplier Finance Arrangements (Amendment to IAS 7, *Statement of Cash Flows,* and IFRS 7, *Financial Instruments: Disclosures*) – The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements.

- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1) – The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

- Non-current Liabilities with Covenants (Amendments to IAS 1) – If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

(ii) Effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

- Lack of Exchangeability (Amendment to IAS 21, *The Effects of Changes in Foreign Exchange Rates*) – The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

3. Significant accounting policies, continued

(k) *New standards, amendments and interpretations to published standards not yet adopted, continued*

(iii) *Effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.*

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, *Financial Instruments,* and IFRS 7) – The amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later.

(iv) *Effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.*

- IFRS 18, *Presentation and Disclosure in Financial Statements* – This new standard replaces IAS 1 and is mandatorily effective for annual reporting periods beginning on or after January 1, 2027.

  IFRS 18, which was published by the International Accounting Standards Board (IASB) on April 9, 2024, 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. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory ‘operating profit or loss’ sub-total.

  – Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

  – Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. ‘adjusted profit or loss’). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

3. Significant accounting policies, continued

(k) *New standards, amendments and interpretations to published standards not yet adopted, continued*

(iv) *Effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted., continued*

- IFRS 18, *Presentation and Disclosure in Financial Statements, continued*

  The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

- IFRS 19, *Subsidiaries without Public Accountability: Disclosures* – IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

  The eligibility criteria for an entity to apply IFRS 19 are:

  – The entity is a subsidiary;

  – The entity does not have public accountability; and

  – The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  An entity has public accountability if:

  – Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market;

  – It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The new standards, amendments and interpretations to published standards and statements are expected by NIB to be either not relevant or not significant to NIB's operations and, accordingly, will not have a material impact on NIB's financial statements and/or accounting policies.

4. Determination of fair values

A number of NIB's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes, as described below. Where applicable, further information about the assumptions made in determining fair value has been disclosed in the notes specific to that asset or liability.

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties.

(a) *Financial assets measured at FVOCI*

The fair value of financial assets measured at FVOCI is determined by reference to their quoted prices in an active market at the reporting date.

(b) *Investment in, and assets held with, TCI Bank*

NIB's investment in TCI Bank Limited (TCI Bank) has been accounted for using the fair value model so as to comply with IAS 26. Changes in fair value are recognised in the statement of income, expenses and reserves. The fair value of NIB's investment in TCI Bank was assessed by NIB's management to be US$nil at March 31, 2024 (2023: US$nil) as a consequence of TCI Bank entering provisional liquidation on April 9, 2010 and liquidation on October 29, 2010.

The fair value of NIB's other, non-secured, assets held with TCI Bank was reduced by 38% (2023: 38%) of the total amounts held at the date TCI Bank entered provisional liquidation, being management's best estimate of an appropriate fair value adjustment in the circumstances. Changes in fair value are recognised in the statement of income, expenses and reserves.

(c) *Provisions for long-term benefits, other than promised retirement benefits*

The fair value of provisions for long-term benefits, other than promised retirement benefits, is estimated as the present value of future cash outflows discounted at a rate of 4.5% at March 31, 2024 (2023: 4.5%) (note 15).

(d) *Other financial instruments*

Due to their short-term nature the carrying amounts of other financial assets and liabilities of NIB approximate their fair value.

The fair value of financial assets and liabilities with no fixed terms of repayment cannot be determined reliably.

NIB has an established control framework with respect to the measurement of fair values.

4. Determination of fair values, continued

NIB regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then NIB assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors of NIB (the Board).

When measuring the fair value of a financial instrument, NIB uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value, discounted cash flow models and comparison with similar instruments for which an observable market exists. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates.

The objective of the valuation technique is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

If the inputs used to measure the fair value of a financial instrument fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NIB recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Cash and cash equivalents

		2024	2023
Cash at investment managers	US$	10,540,541	19,590,122
Cash at banks – savings and current accounts		19,299,088	17,733,557
Cash on hand		5,693	5,693
Certificate of deposit		–	1,009,648
	US$	29,845,322	38,339,020

The US$10,540,541 cash held with investment managers at March 31, 2024 (2023: US$19,590,122) was classified per NIB's Investment Policy Statement (IPS) (note 24(c)(ii)) as follows:

		2024	2023
Non U.S. equities	US$	1,652,118	1,973,857
Hedge funds		2,923,174	757,257
Fixed income		1,123,250	7,563,103
U.S. equities			
Large cap value		2,186,952	4,940,217
Large cap growth		1,082,418	1,109,983
Mid cap growth		155,642	117,724
Small cap core		577,340	789,149
Convertibles		839,647	2,338,832
	US$	10,540,541	19,590,122

During the year, cash held with investment managers earned interest at an average annual rate of 1.05% (2023: 1.05%).

The US$19,299,088 cash at banks – savings and current accounts at March 31, 2024 (2023: US$17,733,557) was held as follows:

		2024	2023
FirstCaribbean International Bank (Bahamas) Limited (FCIB)			
Interest bearing account	US$	17,904,800	14,897,091
Non-interest bearing account		1,151,632	494,750
Scotiabank (Turks and Caicos) Ltd. (Scotiabank)			
Interest bearing account		174,332	2,273,310
Non-interest bearing account		68,324	68,406
	US$	19,299,088	17,733,557

During the year, interest bearing accounts with FCIB and Scotiabank earned interest at rates of 0.08% to 0.45% (2023: 0.10% to 0.42%).

5. Cash and cash equivalents, continued

The US$1,009,648 certificate of deposit at March 31, 2023 was held with Turks and Caicos Banking Company Limited (TCBC), earned interest at an effective rate of 3.25% per annum and matured on June 13, 2023.

6. Contributions and other receivables

		2024	2023
Contributions receivable	US$	8,574,811	7,326,710
Other receivables – net		1,582,429	1,028,791
		10,157,240	8,355,501
Loss allowance on contributions receivable		(1,060,753)	(1,251,115)
	US$	9,096,487	7,104,386

The movement on loss allowance on contributions receivable during the year ended was as follows:

		2024	2023
At April 1	US$	1,251,115	975,724
Impairment loss recognised (note 20)		608,920	593,124
Contributions receivable written-off		(799,282)	(317,733)
At March 31	US$	1,060,753	1,251,115

The US$1,582,429 other receivables – net at March 31, 2024 (2023: US$1,028,791) comprised the following:

		2024	2023
Surcharges receivable – net of loss allowance of US$498,100 (2023: US$275,026)	US$	706,930	448,334
Miscellaneous receivables – net of loss allowance of US$89,633 (2023: US$70,463)		283,344	236,205
Interest receivable – net of loss allowance of US$56,695 (2023: US$56,695)		592,155	344,252
	US$	1,582,429	1,028,791

(a) Surcharges receivable

The movement on gross surcharges receivable during the year ended was as follows:

		2024	2023
At April 1	US$	723,360	228,437
Surcharges recognised during the year		1,026,124	987,045
Collections during year		(544,454)	(492,122)
At March 31	US$	1,205,030	723,360

6. Contributions and other receivables, continued

(a) Surcharges receivable, continued

The movement on loss allowance on surcharges receivable during the year ended was as follows:

		2024	2023
At April 1	US$	275,026	77,335
Impairment loss on surcharges receivable (note 20)		223,074	197,691
At March 31	US$	498,100	275,026

(b) Miscellaneous receivables

The US$283,344 miscellaneous receivables – net at March 31, 2024 (2023: US$236,205) comprised the following:

		2024	2023
Dishonoured contributors' payments	US$	319,986	236,264
Receivable from NIB employees and others		52,991	70,404
Loss allowance		(89,633)	(70,463)
At March 31	US$	283,344	236,205

The movement on loss allowance on other receivables during the year ended March 31, 2024 was a loss of US$19,170 (2023: US$2,533).

7. Short-term investments

NIB's short-term investments at March 31, 2024 and 2023 represented certificates of deposit with Scotiabank, British Caribbean Bank Limited (BCB), Bordier Bank (TCI) Ltd. (Bordier) and TCBC with a maturity period of more than three months, but less than one year from date of acquisition:

	2024			
	Principal Amount	Maturity value	Interest rate per annum	Maturity date
	US$	US$		
Scotiabank	4,483,101	4,645,177	4.75%	June 12, 2024
BCB	4,248,708	4,329,463	3.75%	August 26, 2024
Bordier	3,735,648	3,927,900	5.08%	January 17, 2025
TCBC	1,048,983	1,070,739	4.13%	September 10, 2024
	13,516,440	13,973,279		

7. Short-term investments, continued

	2023			
	Principal Amount	Maturity value	Interest rate per annum	Maturity date
	US$	US$		
Scotiabank	2,308,000	2,373,596	4.53%	September 12, 2023
BCB	4,071,136	4,158,974	4.28%	August 23, 2023
Bordier	3,551,720	3,586,954	5.01%	July 17, 2023
	9,930,856	10,119,524		

Short-term investments at March 31, 2024 and 2023 were classified per NIB's IPS (note 24(c)(ii)) as fixed income investments.

8. Financial assets measured at FVOCI

Financial assets measured at FVOCI at March 31, 2024 and 2023 can be analysed as follows:

	Cost		Fair Value	
	2024	2023	2024	2023
	US$	US$	US$	US$
Equity securities	367,291,506	325,573,984	429,900,246	341,709,235
Government debt securities	51,047,907	49,883,566	48,729,894	46,716,169
Corporate debt securities	11,716,198	10,014,517	11,261,631	8,933,374
	430,055,611	385,472,067	489,891,771	397,358,778

During the year, certain equity securities earned dividends with average rates of return of 0.45% to 2.82% (2023: 0.58% to 9.42%) while government and corporate debt securities earned interest at rates of 0.80 to 4.57% (2023: 0.22% to 2.91%) with coupon rates ranging from 0.125% to 9.61% (2023: 0.125% to 8.60%).

Government and corporate debt securities have remaining maturity periods ranging from 1 to 38 years (2023: 1 to 39 years) as at the reporting date.

The US$489,891,771 financial assets measured at FVOCI at March 31, 2024 (2023: US$397,358,778) were managed by UBS Financial Services Inc. (UBS) and its various investment managers.

UBS is one of the world's leading global financial services firms and is one of the world's largest private banks. Its businesses include wealth management, investment banking, corporate and institutional clients, asset management, and commercial and retail banking.

8. Financial assets measured at FVOCI, continued

Financial assets measured at FVOCI at March 31, 2024 and 2023 were classified per NIB's IPS (note 24(c)(ii)) as follows:

		2024	2023
Non U.S. equities	US$	110,285,675	89,318,098
Fixed income		59,687,181	54,882,091
Hedge Funds		62,035,030	57,487,852
U.S. equities			
Large cap value		75,169,947	50,054,688
Large cap growth		57,730,069	42,450,505
Mid cap growth		15,449,537	11,106,820
Small cap core		14,921,673	10,458,099
Convertibles		20,400,994	15,197,990
Private equity		71,197,519	63,287,448
Commodities		3,014,146	3,115,187
	US$	489,891,771	397,358,778

A total of US$304,344 corporate debt securities in financial assets measured at FVOCI at March 31, 2024 (2023: US$767,452) were classified as convertibles per NIB's IPS.

9. Long-term receivable

On July 1, 2016, FortisTCI Limited (Fortis) issued a US$5,000,000 unsecured bond (Fortis Bond) to NIB with a coupon rate of 5.14% per annum and a maturity date of July 1, 2031. The Fortis Bond is repayable in full on July 1, 2031 and interest is payable every quarter of each calendar year (January 1, April 1, July 1 and October 1). Fortis can redeem, in whole or in part, the Fortis Bond at any time prior to June 30, 2026 at a price agreed with NIB.

During the year NIB earned US$257,000 (2023: US$257,000) of interest on the Fortis Bond which was included as part of interest and other income in the statement of income, expenses and reserves (note 18).

Long-term receivable of US$5,000,000 from Fortis at March 31, 2024 and 2023 was classified per NIB's IPS (note 24(c)(ii)) as fixed income investments.

10. Property and equipment

	Land and Buildings	Furniture & Fixtures	Computer Equipment	Motor Vehicles	Total
	US$	US$	US$	US$	US$
Cost:					
April 1, 2022	5,297,070	779,322	1,541,135	289,487	7,907,014
Additions	–	25,950	46,420	28,400	100,770
March 31, 2023	5,297,070	805,272	1,587,555	317,887	8,007,784
April 1, 2023	5,297,070	805,272	1,587,555	317,887	8,007,784
Additions	4,000,000	104,102	61,987	160,500	4,326,589
Disposals	–	–	–	(26,402)	(26,402)
March 31, 2024	9,297,070	909,374	1,649,542	451,985	12,307,971
Accumulated depreciation:					
April 1, 2022	2,884,689	602,808	1,364,308	289,487	5,141,292
Charge for the year	214,429	23,589	130,758	2,366	371,142
March 31, 2023	3,099,118	626,397	1,495,066	291,853	5,512,434
April 1, 2023	3,099,118	626,397	1,495,066	291,853	5,512,434
Charge for the year	214,429	25,314	52,712	17,131	309,586
Disposals	–	–	–	(26,402)	(26,402)
March 31, 2024	3,313,547	651,711	1,547,778	282,582	5,795,618
Carrying amounts:					
March 31, 2023	2,197,952	178,875	92,489	26,034	2,495,350
March 31, 2024	5,983,523	257,663	101,764	169,403	6,512,353

Included in land and buildings as cost of land was US$70,500 representing US$500 for land transferred by TCIG to NIB in April 2003 and US$70,000 for land leased for 999 years from TCIG from November 2012.

Also, included in land and buildings is the Hon. L. Headley Durham building located on Grand Turk and the aforementioned 999 year lease from TCIG on 0.56 acres of land where the building is located. NIB purchased the building from TCIG in November 2012. The original cost of the building was US$1,257,808 plus incidentals of US$15,070 while the total lease payment for the land for the entire 999 years was US$70,000.

The cost of the building and the total payments for the leased land were paid in full by NIB in November 2012 as part of an Omnibus Agreement between NIB and TCIG.

In November 2023, NIB purchased a parcel of land from a local private entity for US$4,000,000. The land is located in Cheshire Hall & Richmond Hill, Providenciales and is intended for the construction of a new building for NIB.

No impairment losses were recognised during the years ended March 31, 2024 and 2023.

11. Long-term deposits

		2024	2023
Current account	US$	53,849	53,849
Certificates of deposit		17,298,642	17,298,642
		17,352,491	17,352,491
Less: first, second, third and fourth interim distributions			
Current account		(33,399)	(29,617)
Certificates of deposit		(10,729,085)	(9,514,253)
		(10,762,484)	(9,543,870)
Balance			
Current account		20,450	24,232
Certificates of deposit		6,569,557	7,784,389
		6,590,007	7,808,621
Less: change in fair value			
Current account		(20,450)	(20,450)
Certificates of deposit		(6,569,557)	(6,569,557)
		(6,590,007)	(6,590,007)
Carrying value			
Current account		–	3,782
Certificates of deposit		–	1,214,832
	US$	–	1,218,614

The carrying value of long-term deposits at year-end were as follows:

		2024	2023
Current account	US$	–	3,782
Certificates of deposit		–	1,214,832
Total		–	1,218,614
Less: current portion		–	(1,218,614)
	US$	–	–

All long-term deposits were held with TCI Bank. TCI Bank was placed into provisional liquidation on April 9, 2010 and liquidation on October 29, 2010. NIB's management determined a 38% (2023: 38%) reduction in fair value of NIB's deposits with TCI Bank was appropriate at March 31, 2024 and March 31, 2023, which equates to a US$nil (2023: US$1,218,614) carrying value for the deposits, representing NIB management's best estimate of an appropriate fair value adjustment in the circumstances.

On September 10, 2012 NIB received a first interim distribution of US$3,511,002 from the liquidator of TCI Bank representing 20 cents on the dollar for NIB's current account (US$10,770), certificates of deposit (US$3,459,728) and interest receivable (US$40,504) held with TCI Bank.

11. Long-term deposits, continued

On May 20, 2015 NIB received a second interim distribution of US$3,511,002 from the liquidator of TCI Bank representing 20 cents on the dollar for NIB's current account (US$10,770), certificates of deposit (US$3,459,728) and interest receivable (US$40,504) held with TCI Bank.

On September 6, 2019 NIB received a third interim distribution of US$2,633,780 from the liquidator of TCI Bank representing 15 cents on the dollar for NIB's current account (US$8,077) and certificates of deposit (US$2,594,797) and interest receivable (US$30,906) held with TCI Bank.

On August 14, 2023 NIB received a fourth interim distribution of US$1,229,097 from the liquidator of TCI Bank representing 7 cents on the dollar for NIB's current account (US$3,782) and certificates of deposit (US$1,214,832) totalling US$1,218,614 and interest receivable (US$10,483) included in other receivables-net (note 6) held with TCI Bank.

At March 31, 2022 the estimated fourth interim distribution was US$875,088 but the actual distribution recognised by NIB during the year ended March 31, 2023 was US$1,229,097, an increase in carrying value of long-term deposits of US$350,990 and interest receivable of US$3,019 which resulted in an impairment recovery on assets with TCI Bank of US$354,009 for the year ended March 31, 2023.

12. Investment in TCI Bank Limited

At March 31, 2024 NIB owned 2,000,000 (2023: 2,000,000) ordinary shares in TCI Bank with an issued value of US$2,000,000 (2023: US$2,000,000), representing approximately 15.95% of the total issued ordinary shares of TCI Bank.

NIB was represented on the board of directors of TCI Bank.

As disclosed at note 11 to these financial statements NIB also held a current account and certificates of deposit with TCI Bank at March 31, 2024 and 2023.

The fair value of this investment at March 31, 2024 and 2023 has been assessed by NIB's management to be US$nil as a consequence of TCI Bank entering provisional liquidation on April 9, 2010 and liquidation on October 29, 2010.

13. Accounts payable and accrued expenses

		2024	2023
Accounts payable	US$	377,165	396,533
Accrued short-term benefits		223,192	97,223
Other accrued expenses		192,862	126,887
Accrued employment injury costs (note 16(a)(c))		89,000	87,000
Accrued unemployment assistance benefit		57,593	95,544
Accrued pension contribution for NIB employees		13,478	169,885
	US$	953,290	973,072

13. Accounts payable and accrued expenses, continued

(a) TCIG Multi Employer Enhanced Pension Plan

On September 7, 2022 TCIG approved NIB's request to participate in the TCIG Multi Employer Enhanced Pension Plan (Pension Plan), effective April 1, 2022. In addition, NIB committed additional contributions of US$980,994 for NIB's staff past service cost, excluding years of service for which employees would have already received pension contributions. These additional contributions are to be paid by NIB to TCIG in three equal instalments beginning in the 2024 financial year.

A multi-employer plan is a defined contribution plan (other than state plans) that: (a) pool the assets contributed by various entities that are not under common control; and (b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

At March 31, 2024 NIB recognised US$13,478 (2023: US$169,885) due to the Pension Plan as follows:

		2024	2023
At April 1	US$	169,885	–
Contributions of NIB		77,836	79,950
Contributions by qualified NIB employees		89,471	89,935
First instalment of NIB's staff past service cost		326,998	–
		664,190	169,885
Payments during the year		(650,712)	–
At March 31	US$	13,478	169,885

The total contributions of NIB for the year ended March 31, 2024 and its first instalment of past service cost amounting to US$404,834 (2023: US$79,950) were included in general and administrative expenses in the statement of income, expenses and reserves (note 20).

(b) Employment injury costs

Per the Act, NIB is liable to the TCI National Health Insurance Board (NHIB) for the actuarially calculated cost of medical services provided in connection with employment injuries.

At March 31, 2024 NIB included US$89,000 (2023: US$87,000) of this cost in accounts payable and accrued expenses representing NIB's best estimate of its obligation for medical costs in connection with employment injuries as at that date.

13. Accounts payable and accrued expenses, continued

(c) *Accrued unemployment assistance benefit*

In October 2020, the National Insurance (Amendment) Act 2020 and National Insurance (Unemployment Assistance Benefit) Regulations 2020 ("the Regulations") were passed and approved by the House of Assembly and Governor of TCI, respectively, so as to provide a temporary Unemployment Assistance Benefit to insured persons who became unemployed or underemployed, as a direct result of the COVID pandemic.

The Regulations were to continue in force for 12 months, from the date of commencement of the Regulations or until the exhaustion of the funds allocated to payment of the Unemployment Assistance Benefit, whichever came earlier.

The rate of Unemployment Assistance Benefit was not to exceed 50% of the average weekly insurable earnings of an insured person and the said average would not be less than US$275 per week. The Unemployment Assistance Benefit was to be paid for eight weeks periodically or as a lump-sum, or until the allocated funds for the said benefit were exhausted.

NIB allocated approximately US$4 million to cover the unemployment assistance benefit for the said period.

From November 1, 2020 to March 31, 2024, NIB had processed and paid unemployment assistance benefits amounting to US$3,939,254 (2023: US$3,901,303). In 2024 NIB processed and paid claims of unemployment assistance benefits amounting to US$37,951 (2023: US$786). The remaining provision for unemployment assistance benefit of US$57,593 at March 31, 2024 (2023: US$95,544) was recognised on the statement of financial position. The total estimated claims for the said benefits of US$3,996,847 was recognised as unemployment assistance benefit expense (short-term benefit) in the statement of income, expenses and reserves for the year ended March 31, 2021.

14. Accrued survivors' benefits

		2024	2023
Survivors' benefits	US$	1,942,282	–
Less: payment during the year		(600,443)	–
	US$	1,341,839	–

Accrued survivors' benefits of US$1,341,839 at March 31, 2024 pertained to unpaid survivors' benefits as a result of the amendment of Section 19(3) of the National Insurance (Benefit) Regulations (amended by Legal Notice 32/2011) where if no widow or widower is entitled to the survivor's benefit, the maximum available survivor's benefit shall be payable to or in respect of the children of the deceased.

14. Accrued survivors' benefits, continued

The total estimated claims for the said benefits of US$1.9 million was recognised as survivors benefit expense (long-term benefit) in the statement of income, expenses and reserves for the year ended March 31, 2024.

During the year ended March 31, 2024, NIB paid 21 deceased insured persons beneficiaries amounting to US$600,443.

15. Actuarial review

Actuarial present value of promised retirement benefits

For promised retirement benefits NIB has elected to apply IAS 26, as its accounting policy for these benefits, which requires the actuarial present value of promised retirement benefits to be recognised on the statement of financial position, in the notes to the financial statements or in an accompanying actuarial report. NIB has elected to disclose the actuarial present value of promised retirement benefits in the notes to these financial statements.

The 10th actuarial review of NIB was conducted by Trinity Consulting Ltd. (the Actuary) at March 31, 2022 and a report issued on August 17, 2022. The 9th actuarial review of NIB was conducted by the Actuary at March 31, 2019 and a report issued on July 25, 2019.

NIB provides retirement and other benefits to qualifying beneficiaries. A summary of these benefits is disclosed at note 3(e)(iv) to these financial statements.

NIB currently finances the reserves (the Fund) by considering expected cash inflows from contributors and cash outflows to beneficiaries over an extended period, alongside the assets that have accumulated to date from contributions exceeding benefit payments.

The actuarial present value of promised retirement benefits has been calculated on an accrued benefits basis using a current salary approach.

Under this methodology the actuarial present value of promised retirement benefits at March 31, 2022, the date of NIB's latest actuarial review, was US$787 million (March 31, 2019: US$636 million).

The next actuarial review is scheduled to be conducted as at March 31, 2025.

The key assumptions and methods used in the 10th actuarial review calculation were as follows:

- Inflation – 2.1% per annum (2019: 2.1% per annum)
- Discount rate – 4.5% per annum (2019: 4.5% per annum)
- Average retirement age – 63 years old (2019: 65 years old)
- Mortality rate – United Nations rates for Latin America with adjustments for the TCI experience (2019: United Nations rates for Latin America with adjustments for the TCI experience).

15. Actuarial review, continued

Actuarial present value of promised retirement benefits, continued

The calculation of the actuarial present value of promised retirement benefits is sensitive to the key assumptions and methods used.

The Fund had total reserves of US$418 million at March 31, 2022 (2019: US$282 million).

At March 31, 2022 there was therefore a shortfall of US$369 million (2019: US$354 million) between the total reserves of the Fund of US$418 million (2019: US$282 million) and the actuarial present value of promised retirement benefits of US$787 million (2019: US$636 million).

In May 2023, the Board approved and implemented NIB's Funding Policy. NIB adopted three funding methods for each of the three benefit branches. For more information on the new Funding Policy refer to note 16 to these financial statements.

All key assumptions remained the same for the actuarial present value of promised retirement benefits calculations at March 31, 2022 and at March 31, 2019 with the exception of the following:

(a) The assumed retirement age was reduced to age 63 from age 65. This change is a result of a provision enacted in August 2021 allowing insured persons as young as age 60 to collect a reduced (0.5% per month/6.0% per year prior to age 65) retirement pension while substantially employed. As a result, and based upon scheme specific data, insured persons started to retire earlier making it necessary to change the assumption. This change resulted in an increase in the actuarial present value of promised retirement benefits at March 31, 2022.

(b) An additional change, effective April 1, 2022, occurred regarding the benefit accrual rate. The major change in the new benefit formula reduced the accrual rate to 20% from 30% for the first 500 weeks of average insurable earnings. For those aged 50 or older on April 1, 2022, the prior benefit formula still applies. This change resulted in a decrease in the actuarial present value of promised retirement benefits at March 31, 2022.

The actuarial review was prepared taking into account the changes to the aforementioned National Insurance Benefits Regulations on April 1, 2022 and the Contributions Regulations on April 1, 2022, April 1, 2023 and April 1, 2024. If the average retirement age and promised retirement benefit accrual rates had remained consistent with those in 2019 then the actuarial present value of promised retirement benefits, assuming no salary increase, would have been US$69 million or 8.33% higher at March 31, 2022. With the salary increase assumption, the actuarial present value of promised retirement benefits, would have been US$34 million or 3.2% higher at March 31, 2022.

15. Actuarial review, continued

Actuarial present value of promised retirement benefits, continued

In addition, if the discount rate had decreased from 4.5% to 4% the actuarial present value of promised retirement benefits at March 31, 2022 would have increased by US$71 million.

The actuarial present value of promised retirement benefits at March 31, 2022 and 2019 can be classified as follows:

		Vested	Unvested	Total
At March 31, 2022	US$	288,700,000	498,500,000	787,200,000
At March 31, 2019	US$	122,300,000	513,400,000	635,700,000

Vested benefits are benefits, the rights to which, under the conditions of National Insurance (Benefit) Regulations, are not conditional on continued employment.

Effective August 28, 2021 the conditions for promised retirement benefits to become vested are as follows:

(a) An insured person other than a temporary resident employed person has attained the age of sixty years; and

(b) The relevant insured person satisfies certain specified contribution conditions, specifically:

   I. not less than one hundred and fifty contributions (three years) have been paid by the insured person; and

   II. not less than five hundred contributions (ten years), including those referred to above, have been paid by or credited to the insured person.

Prior to August 28, 2021 the conditions for the promised retirement benefits to become vested were that an insured person other than a temporary resident had attained the age of sixty-five years, had retired from insurable employment or showed to the satisfaction of NIB that they were no longer substantially employed in insurable employment and had satisfied certain specified contribution conditions, specifically:

   I. not less than one hundred and fifty contributions (three years) had been paid by the insured person; and

   II. not less than five hundred contributions (ten years), including those referred to above, had been paid by or credited to the insured person.

15. Actuarial review, continued

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits, was quantified by the Actuary at March 31, 2024, 2023 and 2022 and recognised in NIB's financial statements in accordance with IAS 37, as follows:

		Present value at reporting date	Change during the year
At March 31, 2024	US$	48,821,000	177,000
At March 31, 2023	US$	48,644,000	5,938,000
At March 31, 2022	US$	42,706,000	1,372,000

The change in present value of provisions for long-term benefits, other than promised retirement benefits, of US$177,000 during the year ended March 31, 2024 (2023: US$5,938,000) was recognised in the statement of income, expenses and reserves.

The details of the actuarial present value of provisions for long-term benefits, other than promised retirement benefits, at the reporting date by benefit branch was as follows:

	2024	2023	Change during the year
	US$	US$	US$
Long-term benefit branch			
Invalidity pension	18,906,000	19,940,000	(1,034,000)
Survivors' benefit	20,986,000	18,735,000	2,251,000
Non-contributory old aged pension	2,763,000	3,099,000	(336,000)
	42,655,000	41,774,000	881,000
Employment injury benefit branch			
Employment injury benefit	6,166,000	6,870,000	(704,000)
Total	48,821,000	48,644,000	177,000

	2023	2022	Change during the year
	US$	US$	US$
Long-term benefit branch			
Invalidity pension	19,940,000	17,166,000	2,774,000
Survivors' benefit	18,735,000	17,500,000	1,235,000
Non-contributory old aged pension	3,099,000	2,939,000	160,000
	41,774,000	37,605,000	4,169,000
Employment injury benefit branch			
Employment injury benefit	6,870,000	5,101,000	1,769,000
Total	48,644,000	42,706,000	5,938,000

15. Actuarial review, continued

The actuarial present value of provisions for long-term benefits, other than promised retirement benefits, continued

The key assumptions and methods used in this calculation of present value of other long-term benefits for 2024 and 2023 were as follows:

- Inflation – 2.1% per annum (2023: 2.1% per annum)
- Discount rate – 4.5% per annum (2023: 4.5% per annum)
- For invalidity pensions NIB is liable for insured persons who are invalid and less than sixty years of age.
- For widows/widowers pension – assume to be paid for life (2023: assume to be paid for life)
- For orphan pension – assume to be paid until age of 21 (2023: assume to be paid until age of 21)
- For employment injuries NIB is liable for the period the insured person is incapacitated.

16. Reserves

(a) *Statutory reserves*

Under the Regulations NIB is required to maintain three specific reserves on the following basis:

a) *A Long-Term Benefit Reserve.* The minimum level of which shall be equivalent to the expenditure for benefits under the Long-Term Benefit Branch during the three previous financial years.

b) *A Short-term Benefit Reserve.* The minimum level of which shall be equivalent to one-fourth of the expenditure for benefits under the Short-Term Benefit Branch during the two previous financial years.

c) *An Employment Injury Benefit Reserve.* This reserve shall be constituted to finance injury benefit, disablement grant, death grant and medical care by transferring thereto annually as much of the excess of income over expenses of the Employment Injury Benefit Branch as is needed to maintain the level of the Employment Injury Benefit Reserve at one-half of the amount paid for the said benefits in the two previous financial years. The Disablement and Death Benefit Reserve has no such minimum requirement.

The Employment Injury Benefit Reserve at March 31, 2024 and 2023 was determined as follows:

		Paid benefits		Reserve required at
		2024	2023	March 31, 2024
Injury benefit paid	US$	144,237	152,878	148,558
Medical care		–	–	–
	US$	144,237	152,878	148,558

16. Reserves, continued

(a) Statutory reserves, continued

c) An Employment Injury Benefit Reserve, continued

		Paid benefits 2023	2022	Reserve required at March 31, 2023
Injury benefit paid	US$	152,878	170,060	161,469
Medical care		–	7,506	3,753
	US$	152,878	177,566	165,222

At March 31, 2024 NIB management included accrued employment injury costs of US$89,000 (2023: US$87,000) in the Employment Injury Benefits Reserve as these were the expected amounts that would ultimately be paid from this reserve.

During the year ended March 31, 2024 US$16,664 was transferred to the Disablement and Death Benefit Reserve from the Employment Injury Benefit Reserve (2023: US$27,898 transferred from the Disablement and Death Benefit Reserve to the Employment Injury Benefit Reserve) so as to maintain the required reserve for Employment Injury Benefit at March 31, 2024 and March 31, 2023.

(b) NIB's Funding Policy

In May 2023, the Board approved and implemented NIB's Funding Policy. The purpose of the Funding Policy is to establish a framework for those responsible for the governance of NIB for the funding of NIB benefits in an orderly and structured manner to achieve defined objectives and to document the methods for meeting those objectives. The composition of the reserves remains governed by the Regulations as detailed at note 3(d).

NIB adopted three different funding methods. The Partially Funded Method is considered to be NIB's primary funding method as it has been adopted for the Long-Term Benefit Branch which dominates the Fund. The Pay-as-you-Go with a small reserve (PAYGwR) Method has been adopted for the Short-Term Benefit Branch and for certain benefits of the Employment Injury Branch. The Full Funded Method has been adopted for the Employment Injury Branch for long-term risks.

Under the Partially Funded Method:

- The income collected should be greater than the annual expenditure for a period of time such that the contribution rate remains constant during that period (referred to as the Period of Equilibrium) and with a commitment by the Board to increase the contribution rate in subsequent Periods of Equilibrium;

16. Reserves, continued

(b) NIB's Funding Policy, continued

Under the Partially Funded Method:, continued

- The contribution rate must be set at a level such that the minimum reserve requirements are met and is greater than the PAYGwR rate during the years in the Period of Equilibrium; and
- The excess income that is generated each year will be added to the Fund and is accumulated to allow for the payment of contingencies, to maintain the current contribution rate for an extended number of years, to avoid annual increases to the contribution rate and to keep the rate as low as possible.

Under the PAYGwR Method:

- The annual income collected should be slightly greater than the annual expenditures to be paid out;
- Benefits are paid for a period of not more than one year;
- It is expected that annual frequencies and average durations are relatively stable; and
- Minimal reserves are held for these benefits to buffer unusual and unexpected events such as epidemics and natural disasters.

Under the Full Funded Method:

- The level of reserves must be at least equal to the present value of benefits; and
- The income collected and allocated to the Employment Injury Branch must be sufficient to cover: (a) the short-term expenditures of the branch and (b) the remaining amount must at least be able to satisfy the above full funded requirement for the long-term risks of the branch.

The Partially Funded position is considered by NIB to be reasonable and appropriate for purposes of a Social Security Plan as it is intended to operate indefinitely and have a continuous flow of new entrants.

(c) Capital management

There was no change to NIB's management of capital during the years ended March 31, 2024 and 2023.

NIB has complied with the above regulatory imposed capital requirements at the year-end.

NIB is not subject to any externally imposed capital requirements.

17. Income from, and net realised gains on, financial assets measured at FVOCI

		2024	2023
Dividend income and interest income from equity securities at FVOCI	US$	8,622,245	8,687,844
Interest income and realised gains/(losses) from debt securities at FVOCI		168,521	(394,899)
	US$	8,790,766	8,292,945

18. Interest and other income

		2024	2023
Interest income from long-term receivable (note 9)	US$	257,000	257,000
Interest income from savings and current accounts		638,143	243,660
		895,143	500,660
Rental income (note 23)		128,000	128,000
Other income		33,721	78,163
	US$	1,056,864	706,823

Rental income of US$128,000 (2023: US$128,000) was received from TCIG and relates to the rental of office space included in property and equipment.

19. Benefits

		2024	2023
Long-term benefits			
Retirement pension benefit	US$	26,272,826	20,701,568
Survivors benefit		4,145,457	1,781,415
Invalidity pension		1,407,203	1,359,830
Old age non contributory		543,438	532,709
Funeral grant		341,996	283,985
Retirement grant		150,298	194,482
Survivors grant		17,244	7,644
		32,878,462	24,861,633
Short-term benefits			
Sickness benefit		1,625,007	1,355,449
Maternity allowance		1,172,173	1,198,526
Maternity grant		205,000	203,480
		3,002,180	2,757,455
Employment injury benefits/disablement and death benefits			
Disablement benefit		461,224	433,066
Injury benefit		144,237	152,878
Death benefit		49,087	49,959
Constant attendance allowance		31,200	13,650
		685,748	649,553
	US$	36,566,390	28,268,641

Refer to note 15 for additional information on long-term benefits.

20. General and administrative expenses

		2024	2023
Salaries and wages	US$	3,104,322	3,264,533
Impairment loss on contributions receivable (note 6)		608,920	593,124
Employer's pension contribution for NIB employees (note 13(a))		404,834	79,750
Professional fees		331,735	177,044
Depreciation of property and equipment (note 10)		309,586	371,142
Computer services		284,699	107,675
Impairment loss on surcharges receivable (note 6(a))		223,074	197,691
Maintenance expenses		212,022	178,573
Communications		191,724	179,073
Rent and utilities		178,214	188,141
Security		167,029	131,485
Insurance		137,023	129,363
Office supplies, stationery and postage		136,064	64,945
Board of directors fees and committee allowances		132,629	119,625
Vehicle and other expenses		104,894	107,090
Travel and subsistence		103,254	96,610
Bank charges		87,448	54,058
Employee allowances		86,704	84,802
Advertising		50,026	41,699
Meeting and entertainment		32,204	25,231
Subscription and membership fees		25,630	16,364
Impairment loss on other receivables (note 6(b))		19,170	2,533
Gain on disposal of fixed assets		(3,000)	–
Anniversary celebration		–	42,996
	US$	6,928,205	6,253,547

21. Investment expenses

		2024	2023
Brokers' fees on financial assets measured at FVOCI	US$	2,195,763	2,124,936
Other investment expenses		42,160	42,660
	US$	2,237,923	2,167,596

NIB and UBS agreed on a wrap fee of 0.64% per annum on assets under management or equities, fixed income, and convertibles once US$170 million in assets under management was attained. Total fees paid for the year ended March 31, 2024 was US$2.2 million (2023: US$2.1 million). Of the total fees US$127K (2023: US$390K) represented placement fees for hedge fund and private equity capital commitments and the remainder of approximately US$2.07 million (2023: US$1.73 million) were wrap fees based on assets under management.

22. Net change in fair value of financial assets measured at FVOCI

The US$47,949,449 net change in fair value of financial assets measured at FVOCI included in NIB's reserves at March 31, 2024 (2023: US$(30,211,873)) can be analysed as follows:

		Unrealised changes in fair value at March 31		Movement
		2024	2023	2024
Financial assets measured at FVOCI				
Equity securities	US$	62,608,740	16,135,251	46,473,489
Government debt securities		(2,318,013)	(3,167,397)	849,384
Corporate debt securities		(454,567)	(1,081,143)	626,576
	US$	59,836,160	11,886,711	47,949,449

		Unrealised changes in fair value at March 31		Movement
		2023	2022	2023
Financial assets measured at FVOCI				
Equity securities	US$	16,135,251	43,789,031	(27,653,780)
Government debt securities		(3,167,397)	(505,612)	(2,661,785)
Corporate debt securities		(1,081,143)	(1,184,835)	103,692
	US$	11,886,711	42,098,584	(30,211,873)

23. Related party transactions and balances

The following are transactions and balances with NHIB, TCI Bank and TCIG, related parties by virtue of significant influence and common directors, transactions with key management personnel and contributions from other significant statutory bodies, which are not separately disclosed elsewhere in these financial statements.

		2024	2023
TCI Bank transactions			
Partial repayment of long-term deposits and interest receivable (note 11)	US$	1,229,097	–
Impairment recovery on assets with TCI Bank	US$	–	354,009
TCI Bank balances			
Long-term deposits (gross of change in fair value)	US$	6,590,007	7,808,621
Interest receivable (gross of change in fair value)	US$	56,695	67,178
Reduction in fair value of assets held with TCI Bank	US$	(6,646,702)	(6,646,702)
Investment (before change in fair value)	US$	2,000,000	2,000,000
Reduction in fair value of investment	US$	(2,000,000)	(2,000,000)

23. Related party transactions and balances and, continued

		2024	2023
TCIG and related entities transactions			
Collection of contributions (Employer and employees' contributions)	US$	9,521,253	7,809,587
Contributions – private sector (Employer and employees' contributions)	US$	6,610,091	5,207,165
Contributions – civil servants	US$	2,911,162	2,602,422
Payment of pension contributions to TCIG (note 13(a))	US$	650,712	–
Pension contributions (note 13(a))	US$	494,305	169,885
NIB's payment of NIB contributions	US$	230,601	218,039
NIB's payment of NHIB contributions	US$	158,087	177,630
Payment to an amount due to National Audit Office	US$	143,250	146,625
Rental income (note 18)	US$	128,000	128,000
Employment injury costs (note 13(b)	US$	89,000	87,000
Payment of employment injury costs to NHIB	US$	87,000	–
Collections of contributions from significant TCIG statutory bodies:			
- TCI Airports Authority	US$	1,580,479	1,257,976
- TCI Financial Services Commission	US$	314,093	260,513
- TCI Ports Authority	US$	217,115	191,710
- TCI NHIB	US$	206,934	147,185
TCIG and related entities balances			
Accrued pension contribution (note 13 (a))	US$	13,478	169,885
Accrued NHIB employment injury costs (note 13 (b))	US$	89,000	87,000
Outstanding contributions from significant TCIG statutory bodies:			
- TCI Airports Authority	US$	129,388	119,953
- TCI Financial Services Commission	US$	25,583	22,675
- TCI Ports Authority	US$	21,847	15,240
- TCI NHIB	US$	15,603	28,720

Per the Act, contributions from TCIG of US$2,911,162 (2023: US$2,602,422) comprise contributions relating to TCIG officers only and these are reflected in the statement of income, expenses and reserves as contributions from civil servants. Contributions for TCIG employees are charged at the same rates as the private sector and, on this basis, have been included within the private sector contributions in the statement of income, expenses and reserves and for the purpose of allocating contributions amongst branches.

23. Related party transactions and balances, continued

		2024	2023
Key management personnel compensation			
Salary of the director and the deputy director	US$	223,338	223,332
Allowances of the board of directors	US$	85,200	77,603
Other benefits of the director and the deputy director	US$	41,528	53,063
Deputy director's pension benefit	US$	3,060	3,060

The Chairman of the Board receives US$1,500 and a US$100 telephone allowance every month and members of the Board not employed by TCIG receive US$1,000 and a US$100 telephone allowance every month. NIB had seven Board members during the year ended March 31, 2024 (2023: seven) and the Board met 13 times during the year ended March 31, 2024 (2023: 15).

Directors, key management personnel and other staff members of NIB are eligible to receive both short-term and long-term benefits from NIB as prescribed under the Act.

24. Financial instruments

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

(a) Credit risk

(b) Liquidity risk

(c) Market risk

This note presents information about NIB's exposure to each of the above risks, NIB's objectives, policies and processes for measuring and managing risk, and NIB's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Minister with responsibility for NIB (the Minister) appoints the Directors. The Directors have full discretionary power to direct, manage, allocate and rebalance or liquidate NIB's investments in compliance with the terms of the IPS. The Directors established the IPS which communicates the investment philosophy of the Directors regarding NIB's investments. The IPS creates a general framework within which the investment assets of NIB can be managed. The IPS envisages a rebalancing exercise at least semi-annually to keep asset allocations within recommended ranges. The IPS was most recently revised in May 2020. NIB kept its asset allocation, with the exception of commodities, within ranges recommended by the IPS at March 31, 2024 and March 31, 2023 . Commodities are still allowable as an alternative investment strategy under the revised IPS.

24. Financial instruments, continued

Risk management framework, continued

The Directors may appoint such person(s) as necessary to achieve NIB's investment objectives. The pursuit of these objectives also involves assuming responsibility for the establishment and oversight of NIB's risk management framework and for developing and monitoring NIB's risk management policies.

NIB's risk management policies are established to identify and analyse the risks faced by NIB, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and NIB's activities.

The Directors appoint an Investment Committee and designate its Chairman who is a Director. The Directors also appoint an Investment Manager who has responsibility for the day to day management of NIB's assets.

NIB's investment portfolio is comprised of mainly quoted equity securities and debt securities, long-term receivable and deposits.

(a) Credit risk

Credit risk is the risk that a contributor or counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with NIB, resulting in a financial loss to NIB.

Credit risk is monitored on a regular basis by the Investment Committee.

NIB management are of the opinion that NIB's policies governing delinquent accounts and loss allowance/fair value adjustments ensure that these financial statements accurately reflect any credit risk associated with amounts due from contributors and other debtors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

The maximum exposure to credit risk at the reporting date was:

		Carrying Amount	
		2024	2023
Current assets:			
Cash and cash equivalents	US$	29,845,322	38,339,020
Contributions and other receivables		9,096,487	7,104,386
Short-term investments		13,516,440	9,930,856
Current portion of long-term deposits		–	1,218,614
		52,458,249	56,592,876
Non-current assets:			
Financial assets measured at FVOCI		489,891,771	397,358,778
Long-term receivable		5,000,000	5,000,000
Long-term deposits		–	–
		494,891,771	402,358,778
	US$	547,350,020	458,951,654

24. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable

At the reporting date the exposure to credit risk for contributions receivable, excluding surcharges, by type of counterparty and by type of contribution risk accepted, was as follows:

		2024		
		Gross	Loss allowance	Carrying Amount
Private employers				
Tourism related	US$	3,839,958	(152,798)	3,687,160
Wholesale and retail		786,597	(62,049)	724,548
Construction		590,690	(163,601)	427,089
Others		2,927,522	(456,396)	2,471,126
Self-employed		430,044	(225,909)	204,135
	US$	8,574,811	(1,060,753)	7,514,058

		2023		
		Gross	Loss allowance	Carrying Amount
Private employers				
Tourism related	US$	2,897,329	(89,967)	2,807,362
Wholesale and retail		591,164	(48,807)	542,357
Construction		457,224	(117,023)	340,201
Others		2,852,649	(684,353)	2,168,296
Self-employed		528,344	(310,965)	217,379
	US$	7,326,710	(1,251,115)	6,075,595

At the reporting date the exposure to credit risk for contributions receivable, by geographical location, was as follows:

		2024		
		Gross	Loss allowance	Carrying Amount
Providenciales	US$	7,828,346	(976,519)	6,851,827
Grand Turk		522,812	(58,704)	464,108
North Caicos		150,859	(10,831)	140,028
South Caicos		40,437	(12,913)	27,524
Other islands		32,357	(1,786)	30,571
	US$	8,574,811	(1,060,753)	7,514,058

24. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

		2023		
		Gross	Loss allowance	Carrying Amount
Providenciales	US$	6,285,825	(1,039,732)	5,246,093
Grand Turk		848,982	(183,935)	665,047
North Caicos		128,813	(13,080)	115,733
South Caicos		32,344	(12,195)	20,149
Other islands		30,746	(2,173)	28,573
	US$	7,326,710	(1,251,115)	6,075,595

NIB's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For certain transactions NIB mitigates this risk by conducting settlements through a compliance officer to ensure that a contribution is settled only when both parties have fulfilled their contractual settlement obligations.

The aging of contributions receivable, excluding surcharges, at the reporting date, by type of counterparty, was as follows:

	2024		2023	
	Gross	Loss allowance	Gross	Loss allowance
	US$	US$	US$	US$
Private employers				
Past due				
Not later than one month	290,095	(28,335)	236,382	(26,356)
Later than one month but not later than two months	162,746	(37,716)	176,328	(48,871)
Later than two months	1,669,020	(617,087)	1,934,690	(738,251)
Outstanding but not past due	6,022,906	(151,706)	4,450,966	(126,672)
	8,144,767	(834,844)	6,798,366	(940,150)
Self-employed				
Past due				
Not later than one month	32,586	(5,713)	31,632	(5,441)
Later than one month but not later than two months	27,475	(9,624)	32,754	(11,258)
Later than two months	273,293	(201,869)	377,697	(286,503)
Outstanding but not past due	96,690	(8,703)	86,261	(7,763)
	430,044	(225,909)	528,344	(310,965)
	8,574,811	(1,060,753)	7,326,710	(1,251,115)

24. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

The movement in the loss allowance in respect of contributions receivable during the year is disclosed at note 6 to these financial statements.

NIB's exposure to credit risk is influenced mainly by the default risk associated with the industry and location in which contributors operate. In monitoring contributors' credit risk, contributors are grouped according to their credit characteristics, including whether they are tourism related, wholesale or retail, construction and others.

A loss allowance is made against outstanding contributions receivable on the following percentage basis of the amounts in each of the following categories (combined weighted-average loss rate for private employers and self-employed):

	2024	2023
Outstanding but not past due	3%	3%
Past due:		
Not later than one month	11%	12%
Later than one month but not later than two months	25%	29%
Later than two months	42%	44%

At the reporting date NIB used an allowance matrix to measure the ECLs of contributions receivable and surcharges.

Loss rates are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposure in different segments based on type of industry.

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by certain factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and NIB's view of economic conditions over the expected lives of the receivables.

41% (2023: 38%) of surcharges receivable that were past due at March 31, 2024 were provided for.

35% (2023: 35%) of contributions receivable with pending legal matters that were past due for more than 90 days at March 31, 2024 were provided for.

24. Financial instruments, continued

(a) Credit risk, continued

Contributions receivable, continued

The loss allowance at the reporting date reflected estimates of losses arising from the failure or inability of NIB's contributors to make required payments. The allowance was based on the aging of contributor accounts, type of counterparty/contributor, economic conditions and NIB's historical write-off experience. Changes to the loss allowance may be required if the financial condition of contributors improved or deteriorated. An improvement in financial conditions might have resulted in lower actual write-offs. Historically, changes to the estimate of losses were not material to NIB's financial position and results of operations.

Debt securities at FVOCI

NIB's debt securities at FVOCI are only allowed with counterparties that have a credit rating that is acceptable to the Investment Committee and meets the IPS requirements. Given their credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the reporting date no loss allowance was recognised on debt securities at FVOCI.

NIB considers that its debt securities at FVOCI have a low credit risk based on the external credit ratings of the counterparties.

Other financial assets

At the reporting date, NIB held financial assets with the following TCI entities:

		2024	2023
FCIB			
Cash at banks – savings and current accounts	US$	19,056,432	15,391,841
Scotiabank			
Cash at banks – savings and current accounts		242,656	2,341,716
Short-term investments		4,483,101	2,308,000
TCBC			
Certificate of deposit		–	1,009,648
Short-term investments		1,048,983	–
BCB			
Short-term investments		4,248,708	4,071,136
Bordier			
Short-term investments		3,735,648	3,551,720
Fortis			
Fortis bonds		5,000,000	5,000,000
TCI Bank (gross of change in fair value)		6,646,702	7,875,799
	US$	44,462,230	41,549,860

24. Financial instruments, continued

(a) Credit risk, continued

Other financial assets, continued

Cash and cash equivalents and short-term investments are placed with counterparties that are TCI regulated entities. Management does not expect the counterparties to fail to meet their obligations.

The following summarises financial assets held with TCI Bank at March 31, 2024 and 2023 including those deemed to have suffered a reduction in fair value:

	2024		2023	
	Gross	Reduction in fair value	Gross	Reduction in fair value
	US$	US$	US$	US$
Interest receivables	56,695	56,695	67,178	56,695
Long-term deposits	6,590,007	6,590,007	7,808,621	6,590,007
	6,646,702	6,646,702	7,875,799	6,646,702

(b) Liquidity risk

Liquidity risk is the risk that NIB will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to NIB.

NIB's policy for managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated payments of benefits, as and when due, without incurring undue losses or risking damage to NIB's reputation.

NIB's financial assets include a long-term receivable which is generally illiquid.

In addition, NIB's deposits with TCI Bank are now subject to restrictions over their future redemption.

NIB also holds equity security investments which are subject to certain restrictions (note 25).

Consequently, NIB may not be able to liquidate some of its investments in these instruments quickly in order to meet its liquidity requirements.

NIB's U.S. equity securities are considered to be readily realisable as they are listed on United States stock exchanges.

NIB's overall liquidity risks are monitored on a regular basis by the Investment Committee.

At the reporting date there were no significant concentrations of liquidity risk. NIB ensures that it has sufficient liquid financial assets comprising cash and cash equivalents and short-term investments to meet its current financial liabilities.

24. Financial instruments, continued

(b) Liquidity risk, continued

NIB's management believe the placing of TCI Bank into liquidation has not affected its ability to meet its current financial liabilities.

The following are the contractual maturities of non-derivative financial instruments, including estimated interest payments and the impact of netting agreements:

	2024					
	Carrying Amount	Contractual cash flows	Under 1 year	1-2 years	2-4 years	More than 4 years
	US$	US$	US$	US$	US$	US$
Cash and cash equivalents	29,845,322	29,845,322	29,845,322	–	–	–
Contributions and other receivables	9,096,487	9,096,487	9,096,487	–	–	–
Short-term investments	13,516,440	13,973,279	13,973,279	–	–	–
Financial assets measured at FVOCI	489,891,771	520,281,702	2,393,300	437,880,758	7,457,370	72,550,274
Long-term receivable	5,000,000	7,184,500	257,000	257,000	514,000	6,156,500
Accounts payable and accrued expenses	(953,290)	(953,290)	(953,290)	–	–	–
Accrued survivors' benefits	(1,341,839)	(1,341,839)	(1,341,839)	–	–	–
	545,054,891	578,086,161	53,270,259	438,137,758	7,971,370	78,706,774

	2023					
	Carrying Amount	Contractual cash flows	Under 1 year	1-2 years	2-4 years	More than 4 years
	US$	US$	US$	US$	US$	US$
Cash and cash equivalents	38,339,020	38,347,290	38,347,290	–	–	–
Contributions and other receivables	7,104,386	7,104,386	7,104,386	–	–	–
Short-term investments	9,930,856	10,119,524	10,119,524	–	–	–
Long term deposit	1,218,614	1,218,614	1,218,614	–	–	–
Financial assets measured at FVOCI	397,358,778	447,557,026	9,560,333	346,846,386	12,329,495	78,820,812
Long-term receivable	5,000,000	7,441,500	257,000	257,000	514,000	6,413,500
Accounts payable and accrued expenses	(973,072)	(973,072)	(973,072)	–	–	–
	457,978,582	510,815,268	65,634,075	347,103,386	12,843,495	85,234,312

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect NIB's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

NIB's strategy for the management of market risk is driven by NIB's investment objectives as reflected in its IPS.

NIB's market risk is managed on a regular basis by the Investment Committee.

24. Financial instruments, continued

(c) Market risk, continued

Per the IPS NIB may not invest in margin transactions, acquisition of shares that would permit the portfolio to exercise control over the issuer, uncovered speculative positions and direct investments in physical commodities. In addition NIB may not invest in futures contracts and options and derivative investments without the specific approval of the Investment Committee.

(i) Interest rate risk

NIB's operations are subject to the risk of interest rate fluctuation to the extent that interest-earning assets mature or reprice at different times or in differing amounts. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with NIB's strategies.

At the reporting date, the interest rate profile of NIB's interest-bearing financial instruments was:

Cash flow sensitivity analysis for fixed rate instruments

		2024	2023
Fixed rate instruments:			
Financial assets			
Certificate of deposit	US$	–	1,009,648
Short-term investments		13,516,440	9,930,856
Financial assets measured at FVOCI		59,991,525	55,649,543
Long-term receivable		5,000,000	5,000,000
Financial liabilities		–	–
	US$	78,507,965	71,590,047

A change of 100 basis points in interest rates for fixed rate instruments at the reporting date would have increased/(decreased) income in the statement of income, expense and reserves by US$785,080/(US$785,080) (2023: increased/(decreased) loss by US$715,900/(US$715,900)) assuming all other variables remained constant.

While long-term deposits held at TCI Bank were interest bearing, following TCI Bank being placed into provisional liquidation on April 9, 2010, and liquidation on October 29, 2010, interest has ceased to accrue on these amounts and so they have therefore been excluded from the above analysis.

NIB's investment portfolio is permitted to utilise derivatives for hedging and income enhancing strategies. However, derivatives are not used to expressly employ leverage or other speculative strategies. Therefore, unless a specific type of security is allowed by the IPS, the Investment Manager must seek permission from the Investment Committee to invest in derivative instruments.

24. Financial instruments, continued

(c) Market risk, continued

(i) Interest rate risk, continued

Cash flow sensitivity analysis for variable rate instruments

		2024	2023
Variable rate instruments:			
Financial assets			
Cash and cash equivalents	US$	28,619,673	36,760,523
Financial liabilities		–	–
	US$	28,619,673	36,760,523

A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) income in the statement of income, expenses and reserves by US$286,197/(US$286,197) (2023: increased/(decreased) loss by US$367,605/(US$367,605)) assuming all other variables remained constant.

NIB's interest rate risks are monitored on a regular basis by the Investment Committee and third party investment managers.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices other than those arising from interest rate risk, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

NIB's procedures require price risks to be monitored on a regular basis by the Investment Committee and third party investment managers.

NIB's policy over concentration of its investment portfolio profile, based on its current IPS, was as follows at March 31:

Asset Class	2024	2023
Cash and money market instruments	0–10%	0–10%
Non U.S. equities	5–30%	5–30%
Fixed income	10–40%	10–40%
Hedge Funds	5–20%	5–20%
U.S. equities		
Large cap value	6–15%	6–15%
Large cap growth	6–15%	6–15%
Mid cap growth	0–05%	0–05%
Small cap core	0–05%	0–05%
Convertibles	2– 8%	2–08%
Private equity	5–20%	5–20%
Commodities	0%	0%

24. Financial instruments, continued

(c) Market risk, continued

(ii) Price risk, continued

The following table sets out concentration of the investment portfolio held by NIB at March 31:

		2024	
Asset Class According to IPS		Amount	%
Cash and money market instruments	US$	19,299,088	3.6%
Non U.S. equities		111,937,793	20.8%
Fixed income		79,326,871	14.7%
Hedge Funds		64,958,204	12.1%
U.S. equities			
Large cap value		77,356,899	14.4%
Large cap growth		58,812,487	10.9%
Mid cap growth		15,605,179	2.9%
Small cap core		15,499,013	2.9%
Convertibles		21,240,641	3.9%
Private equity		71,197,519	13.2%
Commodities		3,014,146	0.6%
	US$	538,247,840	100.0%

		2023	
Asset Class According to IPS		Amount	%
Cash and money market instruments	US$	18,743,205	4.2%
Non U.S. equities		91,291,955	20.2%
Fixed income		77,376,050	17.2%
Hedge Funds		58,245,109	12.9%
U.S. equities			
Large cap value		54,994,905	12.2%
Large cap growth		43,560,488	9.7%
Mid cap growth		11,224,544	2.5%
Small cap core		11,247,248	2.5%
Convertibles		17,536,822	3.9%
Private equity		63,287,448	14.0%
Commodities		3,115,187	0.7%
	US$	450,622,961	100.0%

NIB kept its asset allocation, with the exception of commodities, within ranges recommended by the IPS at March 31, 2024 and March 31, 2023. Commodities are still allowable as an alternative investment strategy under the IPS.

24. Financial instruments, continued

(c) Market risk, continued

(ii) Price risk, continued

The investment portfolio held by NIB at March 31, 2024 and March 31, 2023 was presented in these financial statements as follows:

		2024	2023
Cash and cash equivalents			
Cash at investment managers	US$	10,540,541	19,590,122
Cash at banks – savings and current accounts		19,299,088	17,733,557
Certificate of deposit		–	1,009,648
Short-term investments		13,516,440	9,930,856
Financial assets measured at FVOCI		489,891,771	397,358,778
Long-term receivable		5,000,000	5,000,000
	US$	538,247,840	450,622,961

Per the IPS cash held at investment managers is considered to be a component of financial assets measured at FVOCI.

Effective April 1, 2011 the long term deposits held with TCI Bank were written down to zero for IPS reporting purposes. The balance reported per the financial statements of US$1,218,614, net of loss allowance, (note 11) at March 31, 2023 has therefore been excluded from the above tables.

(iii) Fair value

The following table sets out the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include the fair value information for short-term financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Due to their short-term nature, the carrying amounts of certain of NIB's financial assets and liabilities approximate their fair value.

	2024			
	Carrying Amount	Level 1	Fair Value Level 2	Level 3
	US$	US$	US$	US$
Financial assets measured at FVOCI:				
Equity securities	429,900,246	296,667,697	133,232,549	–
Government debt securities	48,729,894	–	48,729,894	–
Corporate debt securities	11,261,631	–	11,261,631	–
Long-term receivable	5,000,000	–	–	5,000,000
	494,891,771	296,667,697	193,224,074	5,000,000

24. Financial instruments, continued

(c) Market risk, continued

(iii) Fair value, continued

	2023			
	Carrying Amount	Level 1	Fair Value Level 2	Level 3
	US$	US$	US$	US$
Financial assets measured at FVOCI:				
Equity securities	341,709,235	220,933,935	120,775,300	–
Government debt securities	46,716,169	–	46,716,169	–
Corporate debt securities	8,933,374	–	8,933,374	–
Long-term receivable	5,000,000	–	–	5,000,000
	402,358,778	220,933,935	176,424,843	5,000,000

Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value of investment in private equity funds is determined using unadjusted net asset value (level 2 valuation). The unadjusted net asset value is used when the units in a fund are redeemable at the reportable net asset value at, or approximately at, the measurement date.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NIB's equity securities at FVOCI, other than Hedge funds and Private Equity funds, are listed on US and non-US stock exchanges. For such investments, a twenty percent increase in value of all equity securities at FVOCI at the reporting date would have increased other comprehensive income in the statement of income, expenses and reserves by US$85,980,049 (2023: decreased other comprehensive loss by US$68,341,847) and an equal change in the opposite direction would have decreased other comprehensive income in the statement of income, expenses and reserves by US$85,980,049 (2023: increased other comprehensive loss by US$68,341,847).

The method applied to determine the fair value of long-term receivable at the reporting date was a discounted cash flow model. This valuation model considers the present value of any expected payment, discounted using a risk-adjusted discount rate.

24. Financial instruments, continued

(c) Market risk, continued

(iii) Fair value, continued

The value of NIB's investment holdings with TCI Bank has been reduced by management's best estimate following TCI Bank entering provisional liquidation and then liquidation. A 10% decrease in provision on the gross, non-secured, non-equity, balance would have increased the change in fair value and net income in the statement of income, expenses and reserves for the year by US$1.75 million (2023: US$1.75 million).

25. Commitments

(a) Capital commitments

At the reporting date NIB had committed to invest in the following hedge funds and private equity funds:

	At March 31, 2024		
	Commitment	Net Contributions	Remaining Commitment
	US$	US$	US$
Strategic Value Special Situations Feeder Fund III, L.P.	2,500,000	2,275,000	225,000
Portfolio Advisors Private Equity Fund 2015 (Offshore), L.P.	5,000,000	4,265,147	734,853
NB Strategic Co. – Investment Cayman Partners III L.P.	5,000,000	4,676,296	323,704
Portfolio Advisors Private Equity Fund 2017 (Offshore), L.P.	5,000,000	3,643,841	1,356,159
Pretium Residential Real Estate Fund II Offshore, L.P.	5,000,000	2,441,484	2,558,516
Madison International Real Estate Liquidity Fund VII (Intl), L.P.	5,000,000	4,738,958	261,042
EnTrustPermal Special Opportunities Fund IV Ltd.	5,000,000	4,605,552	394,448
Blackrock Private Opportunities Fund IV (Cayman), L.P.	5,000,000	4,037,431	962,569
Clover Private Credit Opportunities Secondary II Feeder LP and Clover Private Credit Opportunities Origination II Feeder LP	5,000,000	3,380,194	1,619,806
AG CS Non-U.S. Holdings Fund II, L.P. Fund IV Ltd.	5,000,000	4,125,000	875,000
Portfolio Advisors Private Equity Fund 2022 (Offshore), L.P.	8,000,000	5,194,872	2,805,128
iCapital-Apollo Overseas Partners X Access Fund, L.P.	1,000,000	205,000	795,000
KKR Ascendant Fund Private Investors (Offshore) L.P.	1,000,000	–	1,000,000
AlphaKeys EIL Fund, L.P.	10,000,000	–	10,000,000
	67,500,000	43,588,775	23,911,225

25. Commitments, continued

(a) Capital commitments, continued

	At March 31, 2023		
	Commitment	Net Contributions	Remaining Commitment
	US$	US$	US$
Strategic Value Special Situations Feeder Fund III, L.P.	2,500,000	2,275,000	225,000
Portfolio Advisors Private Equity Fund 2015 (Offshore), L.P.	5,000,000	4,265,147	734,853
NB Strategic Co. – Investment Cayman Partners III L.P.	5,000,000	4,892,690	107,310
Portfolio Advisors Private Equity Fund 2017 (Offshore), L.P.	5,000,000	3,572,958	1,427,042
Pretium Residential Real Estate Fund II Offshore, L.P.	5,000,000	4,719,284	280,716
Madison International Real Estate Liquidity Fund VII (Intl), L.P.	5,000,000	4,335,785	664,215
Blackrock Private Opportunities Fund IV (Cayman), L.P.	5,000,000	4,199,863	800,137
Clover Private Credit Opportunities Secondary II Feeder LP and Clover Private Credit Opportunities Origination II Feeder LP	5,000,000	3,600,908	1,399,092
AG CS Non-U.S. Holdings Fund II, L.P. Fund IV Ltd.	5,000,000	2,750,000	2,250,000
Portfolio Advisors Private Equity Fund 2022 (Offshore), L.P.	8,000,000	3,759,995	4,240,005
	50,500,000	38,371,630	12,128,370

The obligation to invest in each fund is irrevocable and NIB has no right to withdraw from the partnership except as specifically provided in each partnership agreement. At March 31, 2024 NIB had a remaining total investment commitment of US$23,911,225 (2023: US$12,128,370).

(b) Services Agreement

On May 13, 2022, NIB entered into a services agreement (the Agreement) with a third party contractor (the Contractor) to implement a new Enterprise Operations Management System, including annual software subscriptions, software purchase, software support, biometric hardware, Azure services, implementation services, training and related support. The total contractual amount of the Agreement is US$1,449,007.

25. Commitments, continued

(b) Services Agreement, continued

The performance of the services was to commence within thirty days of execution of the Agreement and payment of the retainer by NIB to the Contractor. The Agreement may be terminated by NIB by providing two weeks' notice to the Contractor in accordance with the terms and conditions of the Agreement.

At March 31, 2024 the remaining contract commitment was US$618,151 (2023: US$1,019,524). The total amount paid to the Contractor for the year end relating to the Agreement was US$401,373 (2023: US$429,483).

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by NIB are recognised as an intangible asset. If an intangible item does not meet the definition of, and the criteria for, recognition as an intangible asset, NIB requires any expenditure on this item to be recognised as an expense when it is incurred. In addition, costs associated with maintaining computer software programmes are recognised as an expense as incurred.

At March 31, 2024 software related expenses paid to the Contractor amounting to US$636,073 (2023: US$397,021) were recognized by NIB as an intangible asset.

(c) National Insurance Shared Services (NISS)

A Memorandum of Understanding (MOU) between NIB and NHIB in relation to NISS was agreed and signed on April 10, 2024. The objective of the MOU was to set out a framework whereby the NIB and NHIB, to the fullest extent allowed by the laws of TCI and in a spirit of cooperation and mutual interest, would share in the delivery of registration, collection and compliance services to the public, utilizing a new information technology system on a shared platform. The approval of a NISS was granted by the TCI Cabinet in November 2022.

At March 31, 2024 the total cost incurred by NIB in relation to NISS was US$837,534, 50% of which is shared with NHIB.

26. Contingent liabilities

In the ordinary course of its activities NIB is a party to several legal actions. NIB is contingently liable for costs and damages in the event of any adverse finding by the TCI court (the Court) in relation to any of these legal actions. However, it is not possible to predict the decision of the Court or estimate the amount of such awards, if any. Accordingly, no provision has been made in these financial statements regarding these legal proceedings. Management is of the opinion that the resolution of these matters will not have a material impact on NIB's financial statements.

27. Subsequent events

(a) Principal Act and Legal Notices

Subsequent to the reporting date the following pieces of National Insurance legislation which will have an impact on the subsequent financial years of NIB, were enacted:

- National Insurance (Additional Charges) (Amnesty) Act 2024. Act 40 of 2024. An Act to provide an amnesty period of six months to facilitate a waiver of additional charges due in respect of late payment of contributions and for connected purposes. This Act is effective from December 1, 2024 to May 31, 2025.
- National Insurance (Amendment) Act 2024. Act 44 of 2024. Section 48 of the principal Act (meaning the National Insurance Act) amended subsection (1) (a) by repealing the words "30th day of September" and substituting the words 30th day of November. This is related to the financial reporting deadline of NIB. This amendment came into operation on December 1, 2024.
- National Insurance (Benefit) (Amendment) Regulations 2024. Legal notice 64 of 2024. These Regulations amended the National Insurance (Benefit) Regulations (a) to extend the payment of survivors' benefit (child's pension) to children who were conceived but unborn at the date of death of their father, the relevant insured person; (b) to disqualify insured persons from receiving a sickness benefit during any period that the claimant is also receiving wages; (c) to bring certainty to the commencement date for maternity allowance payments and to prevent the overlapping of sickness benefit and maternity allowance; and (d) to extend the unemployment benefit to employed persons who have not been terminated but have been laid off and have suspension of earnings from their employment. These amendments came into operation on January 1, 2025.
- National Insurance (Contributions)(Amendment) Regulations 2024. Legal notice 65 of 2024. These Regulations amended regulation 24 of the National Insurance (Contributions) Regulations to reduce the monthly penalty rate from 3% to 1.5% for failure to pay any contribution within the prescribed provided. This amendment shall come into operation on May 31, 2025.

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