GCIS INCORPORATED

Subsidiary of The Hand-in-Hand Mutual Fire Insurance Company Limited

GCIS

INC.

A MEMBER OF THE HAND-IN-HAND
GROUP OF COMPANIES

27th

ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2024

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

NOTICE OF MEETING

The Twenty-Seventh Annual General Meeting of Members of GCIS Incorporated will be held at the Company's Offices, Lot 47 Main Street, Georgetown, on Monday, 19 May 2025, at 09:30 hours for the following purposes:

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended 31 December 2024 and the Report of the Auditors thereon.

2. To approve the declaration of a dividend as recommended by the Directors.

3. Election of Directors.

4. Election of Auditors.

5. To fix the remuneration of the Directors.

6. To fix the remuneration of the Auditors.

7. Any other business which may properly be brought before the meeting.

BY ORDER OF THE BOARD

Shanti Singh

Shanti Singh
Company Secretary
47 Main Street
Georgetown, Guyana

28 April 2025

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

HEAD OFFICE

47 Main Street
Georgetown, Guyana.

Website:	www.hihgy.com/gcis
Email:	gcismotor@hihgy.com gcisfire@hihgy.com
Telephone:	225-9153
Whatsapp:	649-9636
Fax:	227-0049
P.O. Box:	10889

DIRECTORS

P. A. CHAN-A-SUE, C.C.H., F.C.A.	-	Chairman
T.A. PARRIS, B.A. (Econs.), M.A. (Econs. & Ed.)	-	Deputy Chairman
J.G. CARPENTER, A.A., B.Sc.		
K. EVELYN, B.A (Hons.) Sheff.Hallam, B.Sc. UMIST., M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S., Chartered Insurer, Chartered Banker		
R. ROWE, B.A, LL.B, L.E.C		

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

MANAGEMENT:

Group Executive Director	-	Keith Evelyn, B.A (Hons.) Sheff.Hallam, B.Sc. UMIST., M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S., Chartered Insurer, Chartered Banker
Managing Director	-	Omadatt Singh, B.Sc. (Hons.), M.B.A., F.C.C.A., C.P.A. - C.G.A., C.P.C.U.
Manager	-	Mary Nagasar, Dip.B.M.A., Grad. Dip. Mgt., M.B.A.
Finance Controller	-	Compton Ramnaraine, M.A.A.T., A.I.C.B., A.C.C.A.,
Human Resource Manager	-	Zaida Joaquin, A.A., Dip. P.M., F.L.M.I., A.C.S., A.I.R.C., A.I.A.A., A.R.A.
Chief Internal Auditor/ Business Analyst	-	Ronald Stanley, M. Sc., F.C.C.A., C.P.C.U.
Investment Analyst/ Chief Risk Officer	-	Kin Sue, B. Sc. (Hons.), M. Sc., M.C.S.I.
Operations Manager/ Company Secretary	-	Shanti Singh
Assistant Manager/ Compliance Officer	-	Azad Ali, Dip. Banking & Finance, BSc. B.M., MSc. I.B.M.
AUDITORS:	-	TSD LAL & Company. Chartered Accountants
ATTORNEY- AT- LAW:	-	Paul S. Braam, LL.B., L.E.C
BANKERS:	-	Republic Bank (Guyana) Limited
		Bank of Nova Scotia
		Citizens Bank (Guyana) Incorporated
		Bank of Baroda (Guyana) Incorporated

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

BRANCH OFFICES:

BERBICE:	1) NEW AMSTERDAM	Lots 15 & 16B New Street, New Amsterdam, Berbice.
	2) CORRIVERTON	Lot 101 Ramjohn Square, No. 78 Village Corriverton, Berbice.
	3) D'EDWARD VILLAGE	Plot 'A' Public Road, D'Edward Village, West Bank Berbice.
	4) ROSEHALL	Lot 20 'B' Williamsburg, Corentyne, Berbice.
	5) BUSH LOT	Lot 4 Section 'C', Bush Lot Public Road West Coast, Berbice.
MON REPOS:		30 Track 'A', Mon Repos, East Coast, Demerara.
ENMORE:		Enmore Mall, Block #4, Apt #5, Enmore Public Road, East Coast Demerara.
MAHAICA:		Parcel 3114, Helena No. 1, Mahaica Village East Coast Demerara.
DIAMOND:		G3 Mall Lot 'M', Great Diamond, East Bank, Demerara.
SOESDYKE:		Shawnee Service Station Block X, Soesdyke, East Bank, Demerara.
LINDEN:		23 Republic Avenue, Linden, Demerara River.
VREED-EN-HOOP:		Lot 4 New Road, Vreed-en-Hoop, West Coast, Demerara.
LEONORA:		Ground Floor, Unit #11, West Central Mall, Lots 2-4 Block R, Groenveldt Leonora, West Coast Demerara.
PARIKA:		Lot 1996 Parika Highway, East Bank Essequibo.
BARTICA:		45 First Avenue, Bartica. Essequibo.
ESSEQUIBO:		Lot 54 Cotton Field, Anna Regina, Essequibo Coast.

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

REVIEW OF THE REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024 BY THE CHAIRMAN MR. P. A. CHAN-A-SUE

Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's Twenty-Seventh Annual General Meeting. I am pleased to report on the annual performance of GCIS Incorporated for the year ended 31 December, 2024.

Economic Review

The global economy remained resilient and recorded modest growth of 3.2% in 2024, with emerging markets expanding at 4.2%. Although global output is projected to remain stable for 2025-2026, it is subject to persistent geopolitical and inflationary challenges.

Guyana's economy continued to realize sustained growth as real GDP grew by 43.6% while real non-oil GDP grew by 13.1%, the former being largely driven by the country's expanding oil and gas sector. Looking forward, real GDP and non-oil GDP are expected to grow by 10.6% and 13.8%, respectively in 2025.

The nation's inflation rate remained largely subdued at 2.9 %, mostly driven by an increase in food prices and is projected at 2.8 % for the year 2025, owing to monetary policy being focused on controlling inflationary pressures and maintaining exchange rate stability.

The Company achieved a 19.8 percent surplus after tax from G$11.6 million in the previous year to G$13.9 million in 2024.

The institutionalization of the principles and practice of good corporate governance, established by the Board of Directors, together with our highly competent management team, will strive to increase profitability thereby, ensuring the Company's continued growth and development.

Operations

During the year the company underwrote 50 New Fire Policies with Sums Insured of G$1.37 billion, yielding G$3.7 million in annual premiums, and 638 New Motor Policies with Sums Insured of G$667.6 million, yielding G$34.0 million in annual premiums. Fire and Motor Renewals were 5,246 policies with a total Sum Insured of G$20.3 billion yielding G$234.7 million in Annual Premiums.

Claims

Claims Paid and Provided for after Recoveries were G$44.8 million compared to G$30.8 million in 2023.

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

**REVIEW OF THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2024
BY THE CHAIRMAN MR. P. A. CHAN-A-SUE**

Investments

Investments decreased by 4.0 percent from G$877.0 million in 2023 to G$841.5 million at the end of 2024. This is attributed to the Fair Value adjustment of the market values of investments.

Taxation

The Company contributed G$3.9 million by way of taxation to the general revenue of the country.

Staff

Our staff remains committed to providing a high quality of service to our customers and members of the public. The company continues to place emphasis on providing training both internally and externally.

Insurance Regulation

The Insurance Act 2016 came into effect in 2018; and the Company is in a high state of compliance. We continued to enhance our Corporate Governance Framework; implementing principles and policies in keeping with Best Practices.

Appreciation

As we complete another commendable year, I would like to express my sincere gratitude to all our policyholders for their continuing confidence and loyalty to our Company.

I sincerely thank the members of the Board of Directors, the Management team and Staff for their dedication, commitment and invaluable contribution during 2024 and look forward to their continued support.

Thank you.

....

**P. A. CHAN-A-SUE, C.C.H., F.C.A.
CHAIRMAN**

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Members and Policyholders their Annual Report and Audited Financial Statements for the year ended 31 December, 2024.

1. Principal Activities

The Company provides a comprehensive range of Property and Motor insurances.

2. Operational Results

The Company's funds increased by G$13.9 million in 2024 as against $11.6 million for the previous year.

3. General Insurance Business

During the year under review, the Company issued 688 policies insuring G$2.0 billion, yielding annual premiums of G$37.7 million. At the close of the year, there were 5,934 policies in force insuring G$22.3 billion, with annualized premiums of G$272.4 million. At the close of the previous year, there were 5,835 policies in force insuring G$20.7 billion, with annualized premiums of G$199.2 million.

4. Investments

Investments at the end of 2024 stood at G$841.5 million as against G$877.0 million the previous year. Certificates for securities held by the Company have been examined and verified by our Auditors.

5. Employee Relations

Relations with employees remain critical to the success of the organization. Training is provided at all levels for both technical and personal development.

6. Directorate

In accordance with Article 68.3 of the Company's Act the following Directors retired and being eligible, offer themselves for re-election:

Messrs.: P.A. Chan-A-Sue
J.G. Carpenter
T.A. Parris
K. Evelyn
R. Rowe

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

REPORT OF THE DIRECTORS

7. Corporate Governance

GCIS Incorporated is fully committed to implementing effective Corporate Governance, based on the highest standards of integrity, transparency, and accountability.
The Directors apply principles of good governance by adopting policies and procedures for the better management of the Company.

The Board meets monthly and has adopted a structure of mandates granted to committees namely the Finance, Audit and Risk Committee and a Marketing Committee whilst retaining specific matters for its decisions.

All of the Board members are considered independent and bring wide knowledge, experience and professionalism to the deliberations of the Board.

The committees established by the Board and their Chairpersons are:

Finance, Audit and Risk Committee	-	Mr. P.A. Chan-A-Sue
Marketing Committee	-	Mr. K. Evelyn

8. Auditors

The Auditors, Messrs. TSD Lal & Company retired and have indicated their willingness to be re-appointed.

By Order of the Board

Shanti Singh

Shanti Singh
Company Secretary

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of GCIS Incorporated, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 12 to 47.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GCIS Incorporated as at 31 December 2024, 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.

Basis for opinion

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

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Company's 2024 annual report but does not include the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. At the time of our report, the other information was not available.

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Responsibilities of those Charged with Governance for the Financial Statements

The Directors/Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 scepticism throughout the planning and performance of 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 omission, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 are required to 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 identified during our audit.

Report on Other Legal and Regulatory Requirements

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

TSD Lal & Co.

TSD LAL & CO.
Chartered Accountants

April 14, 2025.

77 Brickdam,
Stabroek,
Georgetown

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		G$	G$
Revenue			
Insurance revenue	5	195,373,655	185,927,516
Insurance service expense	5	(134,706,621)	(118,066,518)
Net expense from reinsurance contracts held	5	(17,972,691)	(21,005,603)
Insurance service result		42,694,343	46,855,395
Net investment income	6	19,398,027	14,912,358
Net insurance finance expense	6	(959,362)	(287,190)
Net finance result		18,438,665	14,625,168
Other income	7	4,800,000	4,800,000
Other operating expense	8	(53,111,994)	(54,335,594)
Profit before taxation		12,821,014	11,944,969
Taxation	21	1,123,308	(364,221)
Profit for the year		13,944,322	11,580,748
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Net unrealized gain/(loss) on equity investments designated as FVOCI, net of tax	19	6,230,351	(4,989,841)
Net realized gain/(loss) on equity investments designated as FVOCI, net of tax	19	9,802,097	(8,571,420)
Other comprehensive income (loss)		16,032,448	(13,561,261)
Total comprehensive income (loss) for the year		29,976,770	(1,980,513)

"The accompanying notes form an integral part of these financial statements."

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital G$	Revaluation reserve G$	General reserve G$	Investment reserve G$	Total G$
Balance at 31 December 2022		19,740,700	236,038,594	315,488,315	691,115,990	1,262,383,599
Changes in equity for 2023						
Revaluation of land and building	18	-	166,798,883	-	-	166,798,883
Dividend paid	30	-	-	(2,961,105)	-	(2,961,105)
Total comprehensive income (loss) for the year		-	-	11,580,748	(13,561,261)	(1,980,513)
Balance at 31 December 2023		19,740,700	402,837,477	324,107,958	677,554,729	1,424,240,864
Changes in equity for 2024						
Dividend paid	30	-	-	(1,776,663)	-	(1,776,663)
Total comprehensive income for the year		-	-	13,944,322	16,032,448	29,976,770
Balance at 31 December 2024		19,740,700	402,837,477	336,275,617	693,587,177	1,452,440,971

"The accompanying notes form an integral part of these financial statements."

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 G$	2023 G$
ASSETS			
Non-current assets			
Property and equipment	11	625,294,238	626,052,547
Equity Investments	12	841,476,361	876,996,007
Loan to parent company	13 (ii)	146,000,000	-
		1,612,770,599	1,503,048,554
Current assets			
Reinsurance contract assets	10	12,268,443	12,313,022
Receivables and prepayments	13 (i)	4,466,093	6,638,498
Loan to parent company	13 (ii)	36,500,000	-
Interest accrued	14	539,560	1,909,875
Stock of stationery		604,613	839,434
Taxation		16,986,682	19,342,145
Cash on deposit	15	78,006,493	210,180,792
Cash on hand and at bank	16	46,963,862	33,529,212
		196,335,746	284,752,978
TOTAL ASSETS		1,809,106,345	1,787,801,532
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	17	19,740,700	19,740,700
Revaluation reserve	18	402,837,477	402,837,477
General reserve	18	336,275,617	324,107,958
Investment reserve	19	693,587,177	677,554,729
		1,452,440,971	1,424,240,864
Insurance contract liabilities	9	97,409,701	99,028,126
Payables and accrued expenses	20	12,343,565	12,706,342
Deferred tax	21	246,775,416	248,035,416
Taxation		136,692	3,790,784
		356,665,374	363,560,668
TOTAL EQUITY AND LIABILITIES		1,809,106,345	1,787,801,532

The financial statements were approved by the Board of Directors on April 14, 2025.
On behalf of the Board:

.... Director

.... Director

Shanti Singh .... Company Secretary

"The accompanying notes form an integral part of these financial statements."

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	G$	G$
Operating activities		
Profit before taxation	12,821,014	11,944,969
Adjustment for - Depreciation	4,801,417	3,637,131
Loss on disposal of assets	470,001	235,401
Withholding tax	669,695	951,951
Profit before working capital changes	18,762,127	16,769,452
Changes in insurance and reinsurance contracts	(1,973,846)	8,756,073
(Increase)/decrease in receivables and prepayments, interest accrued & stock of stationery	3,777,541	(1,689,971)
Decrease in payables and accrued expenses	(362,777)	(27,263,641)
Net cash generated from operations	20,203,045	(3,428,087)
Taxes paid/adjusted	(2,105,016)	(5,517,344)
Net cash inflow - Operating activities	18,098,029	(8,945,431)
Investing activities		
Purchase of property, plant and equipment	(4,513,109)	(1,745,526)
Purchase of investment	(406,841,222)	(99,999,900)
Loan to Parent Company	(182,500,000)	-
Proceeds from sale of asset	400,000	-
Proceeds from sale of investment	458,393,316	99,999,900
Net cash outflow - Investing activities	(135,061,015)	(1,745,526)
Financing activities		
Dividends paid	(1,776,663)	(2,961,105)
Net cash outflow - Financing activities	(1,776,663)	(2,961,105)
Net decrease in cash and cash equivalents	(118,739,649)	(13,652,062)
Cash and cash equivalents at beginning of period	243,710,004	257,362,066
Cash and cash equivalents at end of period	124,970,355	243,710,004
Comprising:		
Cash on deposits (Note 15)	78,006,493	210,180,792
Cash on hand and at bank (Note 16)	46,963,862	33,529,212
	124,970,355	243,710,004

"The accompanying notes form an integral part of these financial statements."

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

NOTES ON THE ACCOUNTS

1. Incorporation and activities

Guyana Cooperative Insurance Service was established in Guyana by virtue of Order No. 57 of 1976 made under the Co-operative Financial Institutions Act 1976 (No. 8 of 1976). Effective 16 October 1997 pursuant to Ministerial Order No. 32 of 1997 made under the Financial Institutions Act No. 20 of 1996, the G.C.I.S was registered as a Public Company, limited by shares under the new name G.C.I.S Incorporated. On the 18 November 1998, The Hand-in-Hand Mutual Fire Insurance Company Limited acquired 66.7% of shares in G.C.I.S Incorporated.

The Company's activities include insurance covering Fire and Motor business.

During the year the number of employees in the company was 20 (2023-20).

2. Amended standards effective for the current year end

Amended Standards	**Effective for annual periods beginning on or after**
Amendments to IFRS 16: Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 7 & IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IAS 1: Classification of liabilities as current or non-current	1 January 2024

Adoption of these amendments had no material effect on the financial statements.

<u>Pronouncements effective in future periods available for early adoption*</u>

New and Amended Standards	**Effective for annual periods beginning on or after**
IFRS 18: Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
IAS 21: The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to IFRS 9 & IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 & IFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 10, IFRS 9, IFRS 7, IFRS 1, IAS 7: Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026

*The Company has not opted for early adoption.

None of the above new or amended standards or interpretations is expected to have a material effect on the Company's financial statements.

3. Material accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards or IFRS) and under the historical cost convention except for land and buildings and equity investments that have been measured at fair value.

(b) Property and equipment and depreciation

Freehold land and buildings held for use in the supply of services or for administrative purposes are stated in the statement of financial position at their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the statement of financial position. Any revaluation increase arising on the revaluation of such land and buildings is credited to revaluation reserve.

Depreciation on revalued property is charged to profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to general reserves.

Furniture, equipment, machinery and motor vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property and equipment is calculated using the reducing balance method at the rates specified below, which are estimated to write off the cost or valuation of these assets to their residual values over their estimated useful lives.

Office furniture and fixtures	-	10%
Motor vehicles	-	25%
Buildings	-	3%
Computers (Office Equipment)	-	50%

<u>Impairment of tangible assets</u>

At each reporting date, management reviews the carrying amounts of the tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, management estimates the carrying amount of the cash generating unit to which the asset belongs.

3. Material accounting policies cont'd

Impairment of tangible assets – cont'd

Recoverable amount is the higher of fair value less costs to sell and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

(c) Financial instruments

Classification

Financial assets are measured at initial recognition at fair value and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost based on the Company's business model for managing the financial instruments and the contractual cash flows of the instrument.

Debt instruments are measured at amortized cost if both the following conditions are met and the asset is not designated as FVTPL:

(i) the asset is held within a business model that is Held-to-Collect (HTC) as described below, and

(ii) the contractual terms of the instrument gives rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity instruments are measured at FVTPL, unless the Company makes an irrevocable election to designate the asset as FVOCI. The Company has elected to designate its equity instruments, at transition to IFRS 9, as FVOCI.

Recognition and measurement

Purchases and sales of invested assets classified as amortized cost are recorded in the statement of financial position on the date they are settled. Financial assets measured at amortized cost are loans and cash deposits that meet the SPPI test and are managed on an HTC business model. These financial assets are subsequently measured at amortized cost, using the effective interest rate method, net of an allowance for expected credit losses (ECL).

Gains or losses from changes in the fair value of equity instruments designated at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently recycled to the statement of profit or loss, with the exception of dividends.

3. Material accounting policies cont'd

(c) Financial instruments cont'd

Instead, cumulative gains or losses upon derecognition of the equity instrument will be transferred within equity from the investment reserve to retained earnings and presented in net gains (losses) reclassified to retained earnings in the statement of changes in equity. Financial liabilities are classified as amortized cost.

Impairment for financial assets

ECL allowances are recognized on all financial assets that are debt instruments classified either as amortized cost or FVOCI. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. Forward-looking information is explicitly incorporated into the estimation of ECL Allowances.

ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition or when there is objective evidence of impairment. The calculation of ECL allowances is based on the expected value of three probability-weighted scenarios to measure the expected cash shortfalls, discounted at the effective interest rate. A cash shortfall is the difference between the contractual cash flows that are due and the cash flows that are expected to be received.

The key inputs in the measurement of ECL allowances are as follows:

- The probability of default (PD) is an estimate of the likelihood of default over a given time horizon;
- The loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time; and
- The exposure at default (EAD) is an estimate of the exposure at a future default date.

Lifetime ECL is the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month ECL is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on the financial instrument that are possible within the 12 months after the reporting date.

For receivables, the Company applies a simplified approach in calculating ECL allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. Material accounting policies – cont'd

(d) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

(e) Investment reserve

At each reporting date securities are valued using the current market rates prevailing on the Guyana Association of Securities Companies and Intermediaries Inc. (GASCI) or if fair value is not quoted in an active market it is determined using the discounted cash flow method (DCF) using discount rates based on adjusted observable market rates. The surplus or deficit is transferred to the investment reserve account.

(f) Reserves

General reserve

This represents the accumulated surplus or losses of the company.

Revaluation reserve

This comprises the revaluation surplus arising from the revaluation of land and buildings.

(g) Insurance contracts

Classification

Insurance contracts are contracts that transfer significant insurance risk at the inception of the contract. Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain future event, other than a change in a financial variable, adversely affects the policyholder. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime until all rights and obligations are extinguished or expire.
The Company evaluates whether its insurance contracts contain any components that must be separated and accounted for under a different IFRS than the insurance contract standard. The Company's insurance contracts do not include any components that require separation.

Level of aggregation
For the purposes of measuring its insurance contracts the Company divides insurance contracts issued and reinsurance held contracts, separately, into portfolios of insurance contracts. Portfolios comprise contracts with similar risks which are managed together.

3. Material accounting policies – cont'd

(g) Insurance contracts – cont'd

Portfolios are then further divided based on expected profitability at inception into a minimum of three groups: 1) onerous contracts, 2) contracts with no significant risk of becoming onerous, and 3) all other contracts. No group may contain contracts issued more than one year apart.

Recognition and derecognition
The Company initially recognizes insurance contracts it issues at the earliest of:

- the beginning of the effective date of the group of contracts;
- the date when the first payment from a policyholder is due; or
- for onerous contracts, the date when facts and circumstances indicate that it is onerous.

The Company derecognizes groups of insurance contracts when the rights and obligations have been extinguished or the contract is modified such that IFRS 17 requires the contract to be derecognized and a new contract recognized.

Contract boundary
The measurement of groups of insurance contracts includes all the cash flows within the boundary of the insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the period where the Company has a substantive obligation to provide insurance contract services to the policyholder. This substantive obligation ends when the Company has the ability to reassess the risk of the policyholder and can set a price or level of benefits that fully reflect the risks.

The Company considers cash flows to be outside of the contract boundary once the obligation under the insurance contract is discharged. Accordingly, receivable and payable balances which do not represent rights due from or obligations due to the policyholder, or a third party acting on behalf of the policyholder, are excluded from insurance contract liabilities.

Measurement
The Company has chosen to measure all of its insurance contracts applying the Premium Allocation Approach (PAA). PAA is a simplified measurement model that may be applied when certain criteria are met. The Company's insurance contracts issued and reinsurance contracts held were eligible to apply PAA as each contract in the group had a coverage period of one year or less.

3. Material accounting policies – cont'd

(g) Insurance contracts – cont'd

Insurance acquisition cash flows
The Company as elected to expense as incurred the costs of selling, underwriting and starting a group of insurance contracts issued or expected to be issued that are directly attributable to the portfolio of contracts to which the group belongs.

Insurance contract balances
Insurance contract liabilities applying PAA are composed of a liability for remaining coverage, relating to future service, and a liability for incurred claims, relating to past service.

Liability for remaining coverage
The liability for remaining coverage for PAA contracts reflects the premiums received to date less amounts recognized in revenue for insurance contract services provided. The Company has elected not to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk where the Company expects the time between providing each part of the services and the related premium due date to be no more than a year.

Where facts and circumstances indicate that a group of insurance contracts issued may be onerous, the Company calculates the difference between:

1) the liability for remaining coverage under PAA; and
2) the fulfillment cash flows that relate to the remaining coverage of the group.

If the fulfillment cash flows relating to remaining coverage of the group exceed the liability for remaining coverage under PAA, the Company recognizes a loss in the statement of profit or loss and establishes a loss component within the liability for remaining coverage. For all other groups of contracts, the Company assumes that no contracts in the portfolio are onerous. If, at any time during the coverage period, facts and circumstances change and indicate that a group of insurance contracts issued is onerous or that a group of insurance contracts issued is no longer onerous, the Company re-evaluates the analysis of the loss component for a group of contracts based on the expected remaining cash flows and a loss component may be established or adjusted, as necessary.

3. Material accounting policies – cont'd

(g) Insurance contracts – cont'd

Liability for incurred claims
The measurement of the liability for incurred claims includes estimates of the future cash flows that will be required to settle obligations related to past insured events, including events that have occurred and where claims have been incurred but not yet reported (IBNR). Differences between the estimated cost and subsequent settlement of claims are recognized in the statement of profit or loss in the period in which they are settled or in which the liabilities are re-estimated.

The liability for incurred claims also includes the Company's obligation to pay other incurred insurance expenses. As disclosed above, certain balances payable or amounts receivable are now included in the liability for incurred claims where they relate to past service. All of these cash flows within the liability for incurred claims are then adjusted to their present value and includes an explicit risk adjustment for non-financial risk (risk adjustment).

Risk adjustment
The measurement of insurance contracts includes a risk adjustment for non-financial risk which is the compensation required for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment includes the benefit of diversification and excludes the impact of financial risks. The Company has elected to recognize changes in the risk adjustment entirely in the insurance service result.

Reinsurance held contracts
Reinsurance contract held assets (or liabilities) applying PAA utilizes similar principles to the guidance as insurance contracts issued adapted to reflect the following key modifications:

- The Company initially recognizes reinsurance held contracts from the earliest of:
    - the beginning of the effective date of the group of contracts; or
    - the date the Company recognizes an onerous group of underlying insurance contracts provided the Company has entered into the related reinsurance contract held at or prior to that date.
- Reinsurance held contracts cannot be onerous, and references to groups of onerous contracts are instead referred to as contracts where there is a net gain on initial recognition.
- Reinsurance held contracts do not have a loss component. Instead, they may include a loss-recovery component in the asset for remaining coverage depicting the expected recovery of losses from the reinsurer for any loss component on onerous underlying insurance contracts covered by the reinsurance contract. The loss-recovery component is included in the asset for remaining coverage and the recovery is recognized immediately in net income in net expenses from reinsurance contracts.

3. Material accounting policies – cont'd

(g) Insurance contracts – cont'd

- Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of the onerous underlying group of insurance contracts, while ensuring the loss-recovery component does not exceed the portion of the loss component that the Company expects to recover from the group of reinsurance contracts.
- The risk adjustment for reinsurance held contracts represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

Presentation and disclosure
For presentation in the statement of profit or loss, the Company aggregates insurance contracts issued, and reinsurance held contracts, respectively, and presents separately:

- Portfolios of insurance contracts issued that are assets and/or liabilities
- Portfolios of reinsurance held contracts that are assets and/or liabilities.

Insurance revenue
Over the contract boundary of insurance contracts issued, the total insurance revenue is the amount of total premium expected to be received. The Company allocates these expected premium receipts across the contract boundary and recognizes insurance revenue in each period for which insurance contract services are provided based on the passage of time.

Insurance service expenses
Insurance service expenses include changes in fulfillment cash flows relating to the liabilities for incurred claims and other insurance service expenses incurred to fulfill insurance contracts, acquisition cash flows, and losses and reversals of losses on onerous contracts.

Net expenses from reinsurance held contracts
The Company has elected to present amounts relating to reinsurance held contracts as a single net amount within the insurance service result subtotal. Net expenses from reinsurance held contracts represent the amount of premium paid allocated to the period net of amounts to be recovered from reinsurers. The allocation of premiums paid to each period is based on the passage of time, where the total premiums expected to be paid are allocated evenly to each period.

Reinsurance held cash flows expected to be recovered from the reinsurer which are not contingent on claims are treated as a reduction in the premiums to be paid to the reinsurer.

3. Material accounting policies – cont'd

(h) Insurance contracts – cont'd

Net finance income or expense from insurance contracts
Net finance income or expense from insurance contracts comprise the change in the carrying amounts of groups of insurance contracts arising from:

- The time value of money and changes in the time value of money.
- The effect of financial risk and changes in financial risk.

The Company has elected to present these amounts entirely within the statement of profit or loss.

(i) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Income Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted in Guyana at each reporting date.

Deferred Tax

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements, and the corresponding tax base used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow all or part of the assets to be recovered.

3. Material accounting policies – cont'd

Deferred Tax cont'd

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

(j) Investment income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate. Dividend income from investments is recognized when the shareholders rights to receive payment have been established. Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(k) Foreign currency translation

The financial statements are presented in Guyana dollars, which is the Company's functional and presentation currency. The Company translates all foreign currency monetary assets and liabilities into Guyana dollars at year-end foreign exchange rates. Revenue and expenses are translated at the prevailing foreign exchange rate on the date of the transaction. Exchange gains and losses are recognized in the statement of profit or loss with the exception of unrealized gains and losses associated with non-monetary financial assets, such as equities classified as FVOCI, which are recorded in OCI.

(l) Management expenses

These expenses are allocated based on the net premium written on each class of business for the year.

The Company utilizes the Management and Staff of The Hand-in-Hand Mutual Fire Insurance Company Limited, for which a management fee is paid.

3. Material accounting policies – cont'd

(m) Segment Reporting

A business segment is a component of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Management identified segments along the main classes of insurance business and reports the revenue generation, expenses, assets and liabilities within these segments.

(n) Claim deposits

The life portfolio is now fully wound up. As recommended by the actuary and approved by the Bank of Guyana, the policyholders' liability, claims reserve and any other payment to the policyholders was placed in a Trust Fund for further payment.

4. Significant accounting judgments, estimates and assumptions

In the application of the Company's accounting policies which are described in note 3, management is required to exercise judgement and make estimates and assumptions about the reported amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions

The following are the key assumptions concerning the future and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

(i) Impairment assessment of financial assets

ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition or when there is objective evidence of impairment. Forward-looking information is explicitly incorporated into the estimation of ECL allowances, which involves significant judgement.

4. Significant accounting judgments, estimates and assumptions - cont'd

(ii) Useful lives of property and equipment

Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives should remain the same.

(iii) Fair value estimation of financial assets

In determining the fair value of certain investments in the absence of quoted prices from an active market, management estimates the likelihood of impairment by using discounted cash flows.

(iv) Estimates of future cash flows

Measurement of the liability for incurred claims (LIC) is determined on a probability-weighted expected value basis. The LIC also includes an explicit risk adjustment to compensate for non-financial risk directly attributable costs. Management applies significant judgements in determining the risk adjustment amount. Uncertainty also exists on unreported claims in that claims may not be reported to the Company immediately; therefore, estimates are made as to their value.

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NOTES ON THE ACCOUNTS

5 Insurance service result

The table below analyses the Company's insurance service results by reportable segments.

	Fire G$	Motor G$	Total G$
For year ended 31 December 2024			
Insurance revenue	57,535,847	137,837,808	195,373,655
Incurred claims and other directly attributable expenses	(31,812,015)	(103,532,604)	(135,344,619)
Changes that relate to past service	-	637,998	637,998
Total insurance service expense	(31,812,015)	(102,894,606)	(134,706,621)
Net reinsurance premium expense	(15,212,922)	(8,788,749)	(24,001,671)
Amounts recoverable for incurred claims	62,375	236,568	298,943
Changes that relate to past service	-	5,730,037	5,730,037
Net expense from reinsurance contracts held	(15,150,547)	(2,822,145)	(17,972,691)
Insurance service result	**10,573,285**	**32,121,058**	**42,694,343**
For year ended 31 December 2023			
Insurance revenue	53,095,720	132,831,796	185,927,516
Incurred claims and other directly attributable expenses	(29,471,070)	(89,776,946)	(119,248,016)
Changes that relate to past service	-	1,181,498	1,181,498
Total insurance service expense	(29,471,070)	(88,595,448)	(118,066,518)
Net reinsurance premium expense	(15,526,595)	(6,442,975)	(21,969,570)
Amounts recoverable for incurred claims	16,178	1,293,250	1,309,428
Changes that relate to past service	(50,161)	(295,300)	(345,461)
Net expense from reinsurance contracts held	(15,560,578)	(5,445,025)	(21,005,603)
Insurance service result	**8,064,072**	**38,791,323**	**46,855,395**

	2024	2023
	G$	G$
6 Total investment income and net insurance financial result		
Interest income calculated using the effective interest method:		
Loans at amortised cost	1,406,552	1,313,953
Deposits and cash and cash equivalents at amortised cost	1,974,152	3,760,887
Dividend income		
Equity investments at FVOCI	16,017,323	9,837,518
Total investment income	19,398,027	14,912,358
Insurance finance expense	(880,547)	(280,045)
Reinsurance finance expense	(78,815)	(7,145)
Net insurance finance expense	(959,362)	(287,190)
Total investment income and net insurance financial result	18,438,665	14,625,168
7 Other income		
Rental income	4,800,000	4,800,000

	2024	2023
	G$	G$
8 Expenses		
Claims	44,780,484	30,846,347
Risk adjustment	442,508	692,162
Commissions	9,753,568	9,285,698
Operating expenses	29,042,525	27,098,998
Employment cost	91,284,530	93,675,142
Property tax	3,759,169	3,452,930
Depreciation	4,801,417	3,637,131
Directors' emoluments (a)	2,744,114	2,613,432
Auditor's remuneration	1,210,300	1,100,272
	187,818,615	172,402,112
Represented by:		
Insurance service expense	134,706,621	118,066,518
Other expense	53,111,994	54,335,594
	187,818,615	172,402,112

	2024	2023
8 (a) Directors' emoluments		
P. A. Chan-A-Sue	676,650	644,424
J. G. Carpenter	516,866	492,252
T. A. Parris	516,866	492,252
K.Evelyn	516,866	492,252
R. Rowe	516,866	492,252
	2,744,114	2,613,432

9 Analysis by remaining coverage and incurred claims for insurance contracts

The following reconciliations show how the net carrying amounts of insurance contracts changed during the period as a result of cash flows and amounts recognised in the statement of profit or loss.

	Liability for remaining coverage	Liability for incurred claims		
For year ended 31 December 2024	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	G$	G$	G$	G$
Insurance contract liabilities as at 1 January 2024	**75,215,712**	**21,125,446**	**2,686,968**	**99,028,126**
Insurance revenue	(195,373,655)	-	-	(195,373,655)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	125,148,543	442,508	125,591,051
Acquisition cash flows	9,753,568	-	-	9,753,568
Adjustments to liabilities for incurred claims	-	1,463,211	(2,101,209)	(637,998)
Insurance service result from insurance contracts	(185,620,087)	126,611,754	(1,658,701)	(60,667,034)
Net finance expense for insurance contracts	-	826,741	53,806	880,547
Total changes in the Statement of Profit or Loss	(185,620,087)	127,438,495	(1,604,895)	(59,786,487)
Cash flows				
Premiums received	200,263,238	-	-	200,263,238
Claims and other insurance services expenses paid	-	(132,341,608)	-	(132,341,608)
Acquisition cash flows	(9,753,568)	-	-	(9,753,568)
Total cash flows	190,509,670	(132,341,608)	-	58,168,062
Insurance contract liabilities as at 31 December 2024	**80,105,295**	**16,222,333**	**1,082,073**	**97,409,701**
For year ended 31 December 2023				
Insurance contract liabilities as at 1 January 2023	**73,103,949**	**12,786,036**	**2,260,357**	**88,150,342**
Insurance revenue	(185,927,516)	-	-	(185,927,516)
Insurance service expenses				
Incurred claims and other directly attributable expenses	-	109,270,157	692,162	109,962,319
Acquisition cash flows	9,285,698	-	-	9,285,698
Adjustments to liabilities for incurred claims	-	(834,566)	(346,932)	(1,181,498)
Insurance service result from insurance contracts	(176,641,818)	108,435,591	345,230	(67,860,997)
Net finance expense for insurance contracts	-	198,664	81,381	280,045
Total changes in the Statement of Profit or Loss	(176,641,818)	108,634,255	426,611	(67,580,952)
Cash flows				
Premiums received	188,039,279	-	-	188,039,279
Claims and other insurance services expenses paid	-	(100,294,845)	-	(100,294,845)
Acquisition cash flows	(9,285,698)	-	-	(9,285,698)
Total cash flows	178,753,581	(100,294,845)	-	78,458,736
Insurance contract liabilities as at 31 December 2023	**75,215,712**	**21,125,446**	**2,686,968**	**99,028,126**

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10 Analysis by remaining coverage and incurred claims for reinsurance contracts held

The following reconciliations show how the net carrying amounts of reinsurance contracts changed during the period as a result of cash flows and amounts recognised in the statement of profit or loss.

	Asset for remaining coverage	Asset for incurred claims		
For year ended 31 December 2024	Excluding loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
	G$	G$	G$	G$
Reinsurance contract assets as at 1 January 2024	**11,704,124**	**592,741**	**16,157**	**12,313,022**
Changes in Statement of Profit or Loss:				
Allocation of reinsurance premiums	(29,450,258)	-	-	(29,450,258)
Commissions from cessions	5,448,587	-	-	5,448,587
Amounts recoverable for incurred claims	-	287,500	11,443	298,943
Adjustments to assets for incurred claims	-	5,744,797	(14,760)	5,730,037
Net expense from reinsurance contracts held	(24,001,671)	6,032,297	(3,317)	(17,972,691)
Finance (expense) income from reinsurance contracts	-	(78,815)	-	(78,815)
Total changes in the Statement of Profit or Loss	(24,001,671)	5,953,482	(3,317)	(18,051,506)
Cash flows				
Premiums paid net of ceding commissions	24,128,302	-	-	24,128,302
Amounts received	-	(6,121,375)	-	(6,121,375)
Total cash flows	24,128,302	(6,121,375)	-	18,006,927
Reinsurance contract assets as at 31 December 2024	**11,830,755**	**424,848**	**12,840**	**12,268,443**
For year ended 31 December 2023				
Reinsurance contract assets as at 1 January 2023	**9,873,057**	**286,223**	**32,031**	**10,191,311**
Changes in Statement of Profit or Loss:				
Allocation of reinsurance premiums	(27,429,242)	-	-	(27,429,242)
Commissions from cessions	5,459,672	-	-	5,459,672
Amounts recoverable for incurred claims	-	1,266,718	42,710	1,309,428
Adjustments to assets for incurred claims	-	(286,100)	(59,361)	(345,461)
Net expense from reinsurance contracts held	(21,969,570)	980,618	(16,651)	(21,005,603)
Finance (expense) income from reinsurance contracts	-	(7,922)	777	(7,145)
Total changes in the Statement of Profit or Loss	(21,969,570)	972,696	(15,874)	(21,012,748)
Cash flows				
Premiums paid net of ceding commissions	23,800,637	-	-	23,800,637
Amounts received	-	(666,178)	-	(666,178)
Total cash flows	23,800,637	(666,178)	-	23,134,459
Reinsurance contract assets as at 31 December 2023	**11,704,124**	**592,741**	**16,157**	**12,313,022**

11 Property and equipment

	Furniture & equipment G$	Motor Vehicle G$	Land G$	Building G$	Total G$
Cost/valuation					
At 1 January 2023	22,759,381	4,425,000	255,600,000	97,700,000	380,484,381
Additions	1,334,066	-	-	411,460	1,745,526
Revaluation	-	-	259,900,000	6,888,540	266,788,540
Disposals	(1,041,360)	-	-	-	(1,041,360)
At 31 December 2023	23,052,087	4,425,000	515,500,000	105,000,000	647,977,087
Additions	1,763,109	2,750,000	-	-	4,513,109
Disposals	(1,038,317)	(4,425,000)	-	-	(5,463,317)
At 31 December 2024	23,776,879	2,750,000	515,500,000	105,000,000	647,026,879
Comprising:					
Cost	23,776,879	2,750,000	283,103	24,856,933	51,666,915
Valuation	-	-	515,216,897	80,143,067	595,359,964
	23,776,879	2,750,000	515,500,000	105,000,000	647,026,879
Accumulated depreciation					
At 1 January 2023	17,712,655	4,058,463	-	8,531,848	30,302,966
Charge for the year	867,747	91,634	-	2,677,750	3,637,131
Written back on revaluation	-	-	-	(11,209,598)	(11,209,598)
Written back on disposals	(805,959)	-	-	-	(805,959)
At 31 December 2023	17,774,443	4,150,097	-	-	21,924,540
Charge for the year	972,028	679,389	-	3,150,000	4,801,417
Written back on disposal	(809,892)	(4,183,424)	-	-	(4,993,316)
At 31 December 2024	17,936,579	646,062	-	3,150,000	21,732,641
Net book values:					
At 31 December 2023	5,277,644	274,903	515,500,000	105,000,000	626,052,547
At 31 December 2024	5,840,300	2,103,938	515,500,000	101,850,000	625,294,238

(a) Refer to note 25 for fair value disclosures.

GCIS INCORPORATED

(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)

NOTES ON THE ACCOUNTS

12 Investments

	2024		2023	
	Fair value	Cost	Fair value	Cost
	G$	G$	G$	G$
Guyana: Shares and other stocks				
Classified as FVOCI	841,476,361	516,167,439	876,996,007	296,355,466
Total investments	841,476,361	516,167,439	876,996,007	296,355,466

		2024	2023
		G$	G$
13 (i)	**Receivables and prepayments**		
	Other receivables	4,466,093	6,638,498
13 (ii)	Loan to parent company		
	Due within 1 year	36,500,000	-
	Due within 2-5 years	146,000,000	-
		182,500,000	-

A loan facility was extended to Hand-in-Hand Mutual Fire Insurance Company Limited for a duration of five years to finance working capital requirements and the settlement of insurance claims. The principal and interest are to be repaid from income, which may fluctuate throughout the year. However, annual repayments must not be less than G$36.5 million.

The loan accrues interest on the principal amount at a fixed rate of six percent (6%) per annum.

		2024	2023
14	**Interest accrued**		
	Deposits at banks	539,560	1,909,875
15	**Cash on Deposits**		
	Held in Trust (a)	70,498,760	69,956,078
	Other deposits	7,507,733	140,224,714
		78,006,493	210,180,792

(a) These are cash deposits with Insurance Regulators and financial institutions

		2024	2023
16	**Cash on hand and at bank**		
	Cash at banks	46,860,862	33,461,212
	Cash on hand	103,000	68,000
		46,963,862	33,529,212
17	**Share capital**		
	Authorised		
	Number of shares	250,000	250,000
		G$	G$
	Issued and fully paid		
	197,407 shares	19,740,700	19,740,700

These ordinary shares carry equal voting rights and par value of $100 with rights to dividends.

18 Reserves

	2024		2023	
	General	Revaluation	General	Revaluation
	G$	G$	G$	G$
At beginning	324,107,958	402,837,477	315,488,315	236,038,594
Dividends paid	(1,776,663)	-	(2,961,105)	-
Profit for the year	13,944,322	-	11,580,748	-
Revaluation of land and building	-	-	-	166,798,883
At end	336,275,617	402,837,477	324,107,958	402,837,477

19 Investment reserve

	2024	2023
	G$	G$
At beginning	677,554,729	691,115,990
Movement in fair value of investments	16,032,448	(13,561,261)
At end	693,587,177	677,554,729

This amount represents fair value adjustments of investments held and is not distributable.

20 Payables and accrued expenses

	2024	2023
Other payables	2,006,159	2,312,059
Accruals	10,337,406	10,394,283
	12,343,565	12,706,342

Included within other payables are unclaimed payments due to Life Policyholders and which are held in a Trust Deed with Republic Bank Guyana Limited. The Life Portfolio was fully wound up as at December 31, 2019.

21 Taxation

	2024	2023
	G$	G$
Reconciliation of tax expenses and accounting profit		
General Insurance Business		
Accounting profit	12,821,014	11,944,969
Add: non-deductible expense	4,428,864	4,404,881
	17,249,878	16,349,850
Corporation tax at 40%	6,899,951	6,539,940
Add:		
Tax effect of expenses not deductible in determining taxable profits:		
Depreciation for accounting purposes	1,920,567	1,454,852
	8,820,518	7,994,792
Deduct:		
Tax effect of depreciation for tax purposes	(1,487,236)	(1,120,109)
Tax effect of income not deductible in determining taxable profits	(7,196,590)	(5,439,362)
Corporation tax	136,692	1,435,321
Deferred tax	(1,260,000)	(1,071,100)
	(1,123,308)	364,221
Taxation - current	136,692	1,435,321
- deferred tax	(1,260,000)	(1,071,100)
	(1,123,308)	364,221

Components of deferred tax

	2024	2023
Deferred tax liability		
Fixed assets, timing difference	9,450,094	10,710,094
Fixed assets, revaluation	237,325,322	237,325,322
	246,775,416	248,035,416

Movement in temporary difference

	Property, plant and equipment	Revaluation	Total
At 31 December 2022	11,781,194	126,126,067	137,907,261
Movement during the year	(1,071,100)	111,199,255	110,128,155
At 31 December 2023	10,710,094	237,325,322	248,035,416
Movement during the year	(1,260,000)	-	(1,260,000)
At 31 December 2024	9,450,094	237,325,322	246,775,416

22 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

GCIS Incorporated is a subsidiary of The Hand-In-Hand Mutual Fire Insurance Company Limited which is also the parent company of Hand-in-Hand Trust Corporation Incorporated.

Listed below are transactions with related parties:-

		2024 G$	2023 G$
Group companies			
(i)	Management fees paid to The Hand-in-Hand Mutual Fire Insurance Company Limited	12,000,000	12,000,000
(ii)	4,500,000 shares (10% of issued shares) in fellow subsidiary - Hand-in-Hand Trust Corporation Inc.	480,126,401	104,436,667
(iii)	300 shares (3% of issued shares) in Hand-in-Hand Investment Inc.	30,000	30,000
(iv)	Reinsurance premiums with The Hand-in-Hand Mutual Fire Insurance Company Limited	15,974,021	19,085,271
(v)	Claims recovered from The Hand-in-Hand Mutual Fire Insurance Company Limited	62,375	16,178
(vi)	Fixed deposits held with Hand-in-Hand Trust Corporation Inc.	-	97,545,949
	Fixed deposits held with Hand-in-Hand Trust Corporation Inc.- interest	615,117	1,938,308
(vii)	Loan to The Hand-in-Hand Mutual Fire Insurance Co. Ltd.	182,500,000	-
Key management personnel			
(i)	Compensation		
	The Company's key management personnel comprises it's Directors and Executive Managers. The remuneration paid during the year was: Short term employee benefit - Managers - 2 (2023 - 2)	10,709,695	12,516,485
	Directors' emoluments - 5 (2023 - 5) (Refer to note 8a)	2,744,114	2,613,432

23 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2023. The capital structure of the Company consists of cash and cash equivalents and equity attributable to the members of the company, comprising issued share capital, reserves and accumulated surplus.

24 Financial risk management

Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk (currency risk, price risk and interest rate risk).

The Company seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on market risks (foreign exchange risks, interest rate risk and credit risk which are governed by the Board of Directors.

The Company's management reports monthly to the Board of Directors on matters relating to risk and management of risk.

(a) Credit risk

Credit risk is the risk that a customer or counterparty may not be able to meet payment obligations when they become due. The company faces credit risk in respect of its receivables, deposits and cash and cash equivalents and, to a lesser extent, its reinsurance contract assets. However, this risk is controlled through credit limits, concentration limits and by close monitoring of these financial assets by the company. The maximum credit risk faced by the company are the balances reflected in the financial statements.

The table below shows the company's maximum exposure to credit risk, without considering any collateral or other credit enhancement available to the Company to mitigate this risk.

	2024	2023
	G$	G$
Receivables and prepayments (i)	4,466,093	6,638,498
Loan to parent company (i)	182,500,000	-
Interest accrued (ii)	539,560	1,909,875
Cash and cash equivalents (iii)	124,970,355	243,710,004
Reinsurance contract assets (iv)	12,268,443	12,313,022
Total credit risk exposure	324,744,451	264,571,399

24 Financial risk management - cont'd

(a) Credit risk cont'd

(i) Receivables represents amounts owing from Brokers and loan to The Hand-in-Hand Mutual Fire Insurance Company Ltd. This is a secured medium term loan. Interest is charged at a rate of 6% on total of $182,500,000 per annum.

(ii) Interest accrued represents amounts due or accrued on the various deposits held with financial institutions and a loan due from the parent company. These amounts would either be received in the next financial year or would materialize on the maturity of the investment(s) in accordance with their terms and conditions.

(iii) Cash and cash equivalents are held by commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low.

(iv) Reinsurance ceded contracts are primary classified based on financial strength ratings provided by A.M. Best. The majority of reinsurance contract assets are due from the parent company. There were no defaults on transactions with reinsurers during the year. The Company has included in the estimates of the present value of future cash flows an estimate of non-performance risk of reinsurers.

24 Financial risk management - cont'd

(a) Credit risk - cont'd

Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for these assets, for its receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of credit sales over a historical period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company applies the three stage model under IFRS 9 in measuring the expected credit loss on the loan receivable. An assessment of whether the financial assets have experienced a significant increase in credit risk is performed, at least annually. Expected credit losses were estimated on the assumption that repayment of the loan is demanded at the reporting date. It was assessed that loan was not in default as (i) the repayment had not been demanded, and (ii) the borrower was considered to be performing. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9 and has been assessed to have low credit risk as they are held with reputable banking institutions with no history of default. The identified impairment losses were immaterial.

(b) Liquidity risk

Liquidity risk refers to the ability of the Company to access sufficient funds to meet financial obligations as they fall due. The Company's obligations arise as a result of claims and other outflows. The company manages it's liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The Company's estimated maturities of its financial assets, financial liabilities and insurance contract liabilities are shown in the following table on an undiscounted basis.

	Within 1 to 12 mths	1 to 2 Years	Over 2 years	No specific maturity	Total
	G$	G$	G$	G$	G$
At 31 December 2024					
Financial assets (Note 25)	-	-	-	1,153,952,369	1,153,952,369
Liability for incurred claims excluding risk adjustment	11,025,849	4,466,000	1,127,500		16,619,349
Payables and accrued expenses	12,343,565	-	-		12,343,565
	23,369,414	4,466,000	1,127,500		28,962,914

	Within 1 to 12 mths	1 to 2 Years	Over 2 years	No specific maturity	Total
At 31 December 2023	G$	G$	G$	G$	G$
Financial assets (Note 25)				1,129,254,384	1,129,254,384
Liability for incurred claims excluding risk adjustment	17,389,445	3,758,915	504,464		21,652,824
Payables and accrued expenses	12,706,342	-	-		12,706,342
	30,095,787	3,758,915	504,464		34,359,166

24 Financial risk management - cont'd

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks (equity risk, interest rate risk and currency risk). The risks applicable to the Company are described below.

(i) Equity risk

Equity risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

Management continually identify, evaluate, underwrite and diversify risk in order to minimize the total cost of carrying such risk.

Should the market prices of investments change by 10 percent with all other variables held constant, the impact on the fair value of equities would be $84,147,636 (2023 - $87,699,601).

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. To mitigate the impact of interest rate risk, the Company utilizes an asset liability management (ALM) strategy where the duration of interest bearing assets are closely aligned with financial liabilities.

Interest rate risk also causes income volatility as a result of the discounting of certain liabilities for incurred claims. Changes in the value of insurance contract balances resulting from fluctuations in interest rates flow through net finance expense or income in the statement of profit or loss.

The estimated sensitivity to a 100 basis point increase in the interest rate related to the Company's net liability for incurred claims would result in profit before tax being $33,488 higher (2023: $754,328 lower). Whereas, a 100 basis decrease in the interest rate would result in profit before tax being $14,854 lower (2023: $520,619 higher). For the purposes of the interest rate risk sensitivity analysis, financial instruments with fixed interest rates are not included.

25 Financial Instruments Classification and Fair Values

The table below presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis or where fair value is to be disclosed.

31 December 2024	Designated as FVOCI G$	Amortised cost Carrying amount G$	Total Carrying value G$	IFRS 13 Level	Fair value G$
Financial assets					
Equity investments	841,476,361	-	841,476,361	2	841,476,361
Receivables and prepayments	-	4,466,093	4,466,093	2	4,466,093
Loans to parent company	-	182,500,000	182,500,000	2	
Interest accrued	-	539,560	539,560		-
Cash on deposit	-	78,006,493	78,006,493		-
Cash on hand and at banks	-	46,963,862	46,963,862		-
	841,476,361	312,476,008	1,153,952,369		845,942,454
Property and equipment	-	-	617,350,000	2	617,350,000
	841,476,361	312,476,008	1,771,302,369		1,463,292,454
31 December 2023					
Financial assets					
Equity investments	876,996,007	-	876,996,007	2	876,996,007
Loans and receivables	-	6,638,498	6,638,498	2	6,638,498
Interest accrued	-	1,909,875	1,909,875		-
Cash on deposit	-	210,180,792	210,180,792		-
Cash on hand and at banks	-	33,529,212	33,529,212		-
	876,996,007	252,258,377	1,129,254,384		883,634,505
Property and equipment	-	-	620,500,000	2	620,500,000
	876,996,007	252,258,377	1,749,754,384		1,504,134,505

The carrying amount of certain short-term financial instruments not measured at fair value is a reasonable approximation of their fair value. There were no transfers between levels for recurring fair value measurements during the year.

Fair value measurements recognized in the statement of financial position

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques and assumptions used to determine fair values

Valuation of equity investments

The fair values of the company's investments were arrived at using market rates provided by Guyana Stock Exchange Inc. or the use of discounted cash flow models based on current market information and rates.

Property and equipment

Lands and buildings were revalued on 7 March 1994 by Mr. Mooneer Khan, Valuer, but the revalued figures were not brought into the accounts until 31 December 1994 when a 5% upward adjustment was made to those figures by the Valuation Division of the Ministry of Finance. A further revaluation was done on November 12, 2008 by Mr. Pavel Benn, Valuer. A revaluation was again done on December 31, 2019 by Mr. Travis Davis, Valuer. Revaluation of land and building was done on December 31, 2023 by Mr. Denroy Livan, Assistant Valuer. The surplus arising on revaluation was credited to revaluation reserve.

The valuation of property has been derived to the current market value in the case of land, and the replacement cost in the case of building. The most significant input for these valuation approaches is the value of replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

26 Segmented information

	2024		
	Fire	Motor	Total
	G$	G$	G$
Operating profit for the year (Note 5)	10,573,285	32,121,058	42,694,343
Net other operating expense (Notes 6 - 8)	(7,187,505)	(21,562,516)	(28,750,021)
Profit for the year	3,385,780	10,558,542	13,944,322
Segment assets	537,688,834	1,271,417,511	1,809,106,345
Segment liabilities	102,386,739	253,338,309	355,725,048

	2023		
	Fire	Motor	Total
	G$	G$	G$
Operating profit for the year (Note 5)	8,064,072	38,791,323	46,855,395
Net other operating expense (Notes 6 - 8)	(10,166,153)	(25,108,494)	(35,274,647)
Profit for the year	(2,102,081)	13,682,829	11,580,748
Segment assets	515,712,298	1,272,089,234	1,787,801,532
Segment liabilities	80,242,323	283,318,345	363,560,668

27 Insurance risk

The principal risks that the company faces under its insurance contracts are that actual claims are greater than estimated, actual claims are not adequately mitigated by reinsurance, and that total claims from the portfolio of contracts exceed the estimate used in pricing those contracts. The risks and mitigating factors are discussed below.

Risk management objectives and principles

The Company mitigates its risks by engaging in both facultative and excess of loss reinsurance treaties. Reinsurance coverage for perils and other risks excluded from the excess of loss treaty are facultatively reinsured on a yearly renewable basis. The Company declines, rates up, applies excesses, accepts small participation or a combination of more than one of the preceding as part of its overall prudent underwriting principles.

Terms and conditions of insurance contracts

All insurance contracts issued by the Company include conditions aimed at protecting it. Some of these include stating assumed risks clearly (aimed at removing any ambiguity), inclusion of excess clauses, reserving the right to terminate the policy with notice, and clearly stating the maximum limit of any liability. The Company promises to settle claims as soon as possible, all consideration given to proper investigations to establish that the insured event and losses have occurred.

Risk Adjustment

For insurance contracts the Company issues, the risk adjustment represents the compensation that the Company requires for bearing uncertainty about the amount and timing of cash flows related to the groups of insurance contracts the Company issues arising from non-financial risks. The risk adjustment for non-financial risks reflects the adjustment to the best estimate cash flows required to provide a 70% level of confidence.

Concentration of insurance risks

Insurance risks are spread in a number of geographical areas. However, the majority of the Company's risks are in Georgetown and its environs.

Claims development

The Company establishes an estimate of future cash flows for the liability for incurred claims which includes an amount to settle all reported and IBNR claims, taking account of the expected timing and ultimate cost of all unpaid claims and adjustment expenses. Loss development patterns, claims frequency and expected reinsurance recoveries and trends are considered. In situations where there has been a significant change in the environment or underlying risks, the historical data is adjusted to account for expected differences.

The estimated sensitivity to a 5% increase in the fulfilment cash flows related to the Company's liability for incurred claims on net profit before and after the effect of reinsurance is a decrease of $644,610 (2023 $1,213,614).

27 Insurance risk - cont'd

Claims development cont'd

Insurance Contracts	2018	2019	2020	2021	2022	2023	2024	Total
	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000	G$'000
Estimate of ultimate claim costs (net of reinsurance & undiscounted):								
At the end of accident year	61,876	73,743	37,396	19,161	30,849	37,443	57,211	
One year later	63,005	73,795	37,290	18,032	29,909	37,443		
Two years later	59,628	73,510	34,444	16,376	29,909			
Three years later	57,079	71,862	34,444	16,376	-			
Four years later	57,079	72,172	34,444	-	-			
Five years later	57,079	72,172	-	-	-			
Six years later	57,079	-	-	-	-	-		
Current year estimate of net cumulative costs	57,079	72,172	34,444	16,376	29,909	37,443	57,211	304,634
Cumulative payments	(57,079)	(72,172)	(34,444)	(16,376)	(28,782)	(32,977)	(46,185)	(288,015)
Liability recognized	-	-	-	-	1,127	4,466	11,026	16,619
Effect of risk adjustment								326
Effect of discounting								(78)
Net liabilities for incurred claims								16,867

	Estimates of the present value of future cash flows	**Risk Adjustment**	**Total**
	G$	**G$**	**G$**
Represented as:			
Gross liabilities for incurred claims	16,222,333	1,082,073	17,304,406
Amounts recoverable from reinsurers	424,848	12,840	437,688
Net liabilities for incurred claims	15,797,485	1,069,234	16,866,719

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28 Leases as lessor

The Company leased parts of it's building to third parties earning rental. Each lease is renewable annually and is not subject to any contingency. Below is the amount recognized in the profit or loss.

	2024 G$	2023 G$
Less than one year	4,800,000	4,800,000

29 Pending litigations

At the end of the year, there were no pending litigations brought by/against the Company.

30 Dividend

	2024 G$	2023 G$
Amounts recognized as distribution to shareholders in the year		
Final dividend of $9 per share (2023 - $15.00)	1,776,663	2,961,105
Proposed dividend of $9 per share (2023- $9.00)	1,776,663	1,776,663

31 Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on April 14, 2025.