THE

HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

(Incorporated 1865)

158th

ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2023

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTICE OF MEETING

The One Hundred and Fifty Eighth Annual General Meeting of Members of the above mentioned Company will be held at the Company's Offices, Lots 1, 2, 3 & 4, Avenue of the Republic, Georgetown, on Thursday, 12 December, 2024, at 10:15 a.m for the following purposes:-

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended 31 December 2023 and the Report of the Auditors thereon.
2. Declaration of the profits available for distribution amongst Members.
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

Compton Ramnaraine
Company Secretary/ Finance Controller

1, 2, 3 & 4 Avenue of the Republic
Georgetown, Guyana

18 November, 2024

N.B. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him. The person appointed by proxy must be a member of the Company and qualified to vote on his own behalf. A proxy form requires a $10.00 stamp.

The right to vote by proxy may only be exercised if the member resides outside the city of Georgetown.

Proxies must be deposited at the Offices of the Company not less than 24 hours before time appointed for holding the meeting.

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

HEAD OFFICE

1, 2, 3 & 4 Avenue of the Republic
Georgetown, Guyana.
Email: info@hihgy.com
Website: www.hihgy.com
Telephone: 225-1865-7
Fax: 225-7519
P.O. Box: 10188

DIRECTORS

J.G. Carpenter, A.A., B.Sc.	- Chairman
W.A. Lee, A.A., B.Sc., B.S.P., E.M.S.C.P., B.Soc.Sc., Dip.M., F.C.I.M	- Vice Chairman
I.A. McDonald, A.A., M.A. (Hons) Cantab., F.R.S.L., Hon D.LITT. UWI	
P.A. Chan-A-Sue, C.C.H., F.C.A.	
T.A. Parris, B.A. (Econs.), M.A. (Econs. & Ed.)	
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	
O.Singh, B.Sc. (Hons), M.B.A., F.C.C.A., C.P.A.-C.G.A., C.P.C.U.	
K.Sue, B.Sc., M.Sc., C.I.S.I.	
R.Stanley, F.C.C.A., C.P.C.U., M.Sc.	
M. Nagasar, Dip. BMA., G.D.M., M.B.A.	

THE HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED

AND SUBSIDIARIES

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.
Director/Manager	-	Mary Nagasar, Dip. BMA., G.D.M., M.B.A.
Assistant Manager- Property Casualty	-	Sandra Sookdeo-Ishmael, Dip. P.M
Assistant Manager	-	Ganesh Singh, C.P.C.U
Director Chairman-Motor Insurance Operations Chief Internal Auditor/ Business Analyst	-	Ronald Stanley, F.C.C.A., C.P.C.U., M.Sc.
Assistant Motor Manager	-	Chuwatie Harduwar-Ramsaroop, F.L.M.I., A.C.S., A.R.A.
Assistant Manager	-	Faneeza Kowlessar, F.L.M.I., A.C.S., A.R.A.
Company Secretary/Finance Controller	-	Compton Ramnaraine, M.A.A.T., A.I.C.B., F.C.C.A.
Director/Chief Risk Officer/ Investment Analyst	-	Kin Sue, B.Sc., M.Sc., C.I.S.I.
Accountant- Financial Compliance	-	Krishundat Ayoganand, F.C.C.A., M.B.A.
Legal and Compliance Officer	-	Paul Braam, LL.B., L.E.C.
Human Resource Manager	-	Zaida Joaquin, Dip.P.M., F. L. M. I., A.C.S., A.I.R.C., A.I.A.A., A.R.A.
Financial Accountant/ Project Manager	-	Stephen Rambajan, F.C.C.A., M.B.A.
Business Development Officer	-	Savita Singh, B.Soc.Sc., M.B.A.
Assistant I.T Manager	-	Shakuntala Singh, F.L.M.I., A.C.S.,
Manager - Berbice Operations	-	Tajpaul Adjodhea, F.L.M.I.

THE HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

AUDITORS:	TSD LAL and Company Chartered Accountants
ATTORNEYS-AT-LAW:	Cameron & Shepherd Hughes, Fields & Stoby
IFRS 17 CONSULTANT:	Jack A. Alli Sons and Co.
BANKERS:	Republic Bank (Guyana) Limited
	Guyana Bank for Trade & Industry Limited
	Bank of Nova Scotia
	Bank of Baroda
	Citizens Bank (Guyana) Inc.
	Demerara Bank Limited
	Hand-in-Hand Trust Corporation Inc.
	RBC Dominion Securities, Canada

THE HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

BRANCH OFFICES:

BERBICE:	1) New Amsterdam	Lots 15 & 16 B New Street, New Amsterdam, Berbice.
	2) Corriverton	Lot 101 Ramjohn Square, No. 78 Village (Springlands) Corriverton, Berbice.
	3) D’Edward Village	Plot ‘A’ Northern Public Road, D’ Edward Village, West Bank Berbice.
	4) Rosehall	Lot 20 ‘B’ North Public Road, Williamsburg, Rosehall Corentyne, Berbice.
	5) Bush Lot	Lot 4 Section ‘C’, Bushlot Public Road, West Coast Berbice.
LINDEN:		23 Republic Avenue, Linden, Demerara River.
VREED-EN-HOOP:		Lot 4 New Road, Vreed-en-Hoop, West Coast Demerara.
PARIKA:		Lot 1996 Parika Highway, East Bank Essequibo.
BARTICA:		Lot 45 First Avenue, Bartica.
MON REPOS:		130 Tract “A” Mon Repos, East Coast Demerara.
GREAT DIAMOND:		G3 Building Lot “M”, Great Diamond, East Bank Demerara.
ESSEQUIBO:		Doobay’s Complex, Lot 18 Cotton Field, Essequibo Coast.
SOESDYKE:		Shawnee Service Station Block ‘X’, Soesdyke, East Bank Demerara.
GEORGETOWN:		Lot 212 Barr Street, Kitty Village, Greater Georgetown.
ENMORE:		Enmore Mall, Block # 4, Apartment # 5, Enmore Public Road, East Coast Demerara.

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's 158th Annual General Meeting. Please allow me to review the performance of the Company for the year ended 31st December 2023.

Economic Review

In 2023, the global economy experienced a slowdown, continuing to grapple with disruptions to economic activity. These challenges were exacerbated by geopolitical risks, inflationary pressures, and the tightening of monetary policies by central banks. Global growth was estimated at 3.1 percent, down from 3.5 percent in 2022 and 6.2 percent in 2021. Despite this deceleration, inflation declined faster than anticipated, falling to 6.8 percent in 2023. This reflected easing labor market pressures, including reduced job vacancies, a modest rise in unemployment, and an increase in labor supply. Favorable supply-side factors played a significant role in minimizing the anticipated negative impacts on employment and economic activity.

In the Latin America and Caribbean region, economic growth contracted from 4.1 percent in 2022 to 2.3 percent in 2023. Growth in the Caribbean's commodity-exporting nations slowed to 18.7 percent, compared to 25.5 percent in mid-2022, reflecting moderating global and regional conditions. Despite this, Guyana stood out as a key driver of the region's growth, showcasing remarkable economic performance.

Guyana's economy maintained its strong growth trajectory in 2023, with real GDP expanding by 33.0 percent and non-oil GDP increasing by 11.7 percent. The oil and gas sector remained the primary driver of this growth, supported by significant contributions from the construction, manufacturing, services, and agriculture sectors. This robust performance was bolstered by effective fiscal and monetary policies, increased government investments in infrastructure, and heightened investor confidence. Inflation was contained at 2.0 percent, largely attributed to rising food prices due to supply shortages caused by an unprecedented drought in late 2023. Guyana's remarkable economic achievements underscore its resilience and continued leadership in regional growth despite global economic challenges.

Insurance Companies in Guyana 2023

The total resources of domestic insurance companies decreased slightly by 1.3 percent, or G$1.7 billion, to G$136.2 million, representing 28.2 percent of the total assets of non-bank financial institutions (NBFIs) as of December 2023. This decline was driven by declines in other deposits, foreign liabilities, and a decrease in insurance premiums. The life segment, accounting for 69.0 percent of industry resources, fell by 1.6 percent, while the non-life segment decreased by 0.6 percent.

Banking Sector

The local commercial banking sector continued to record healthy profits in 2023. The weighted-average time deposit rate of the banks decreased to 0.94 from 0.93 percent while the weighted-average lending rate decreased by 16 basis points to 8.38 percent.

Commercial banks' average Capital Adequacy Ratio stood at 23 percent, well above the prudential benchmark of 8.0 percent.

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Trust Companies

The two trust companies in Guyana, Hand in Hand Trust Corporation Inc. and Trust Company Guyana Ltd increased their combined resources by 12.8 percent or $1.8 billion in 2023. Deposits also increased by 11.9 percent.

Insurance Regulation

Hand-in-Hand Fire complies fully with the Insurance Act 2016 and the IFRS 17 regulations. This new standard represents a significant update to the accounting framework for insurance contracts, aimed at enhancing transparency and providing a more comprehensive view of an insurer's financial performance. Replacing the previous IFRS 4 standard, IFRS 17 introduces a principle-based approach, requiring insurers to recognize and measure insurance contracts based on the time value of money and associated risks.

In addition, Hand-in-Hand Fire upholds a strong corporate governance structure, supported by a robust Enterprise Risk Management (ERM) framework and an Own Risk and Solvency Assessment (ORSA) framework.

Group Results

The Group's performance for this report reflects the results of four of its five companies: Hand-in-Hand Fire Insurance Company, Trust Company, Investment Company, GCIS Inc., and Rupununi Development Company Ltd.

Total revenue for the Group amounted to $2.9 billion in 2023, representing a 12.6 percent decrease compared to the prior year. This decline was largely driven by a slowdown in the previously rapid appreciation of share values for locally traded companies. Additionally, total expenditure increased by 10.3 percent, rising to $2.7 billion from $2.5 billion in 2022. Despite these challenges, the Group recorded a Comprehensive Income Surplus of $126.3 million for 2023.

Hand in Hand Mutual Fire Insurance Co. Ltd.

The company demonstrated resilience and commendable performance. In its Hand-in-Hand Fire operations and investments, total revenue increased by 14 percent to $1.6 billion, reflecting the competitive nature of the industry. Meanwhile, total expenditure increased to $1.7 billion, resulting in a deficit of $133.3 million.

Premium income across all sources for the Fire Insurance Company totaled $1.4 billion in 2023. During the year, the company issued 550 new fire policies with a total sum insured of $24.1 billion, representing a 3.0 percent decrease compared to the prior year. Additionally, new business annualized premiums declined by 2.6 percent to $66.3 million, as aggressive competitor pricing, driven by excess underwriting capacity, kept insurance premium rates low.

Despite these pressures, the business in force at the end of 2023 showed strong growth, with total sums insured rising by 7.9 percent to $203.2 billion and annualized premium income increasing by 5.2 percent to $603.7 million. To capitalize on growth opportunities in the expanding construction, mining, and oil and gas sectors, the company plans to broaden its portfolios in accident, bonds, and marine insurance.

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Motor Insurance

The Motor Insurance Division maintained its strong position in the industry in 2023, supported by highly efficient underwriting and claims management. During the year, the company issued 6,650 new policies, generating an annualized premium of $283.5 million. This reflects a 38.7 percent increase in the number of new policies and a remarkable 94.4 percent growth in annualized premiums compared to the prior year. These results underscore the success of our strategic focus on underwriting more favorable risks, which has strengthened the portfolio and driven sustainable growth.

Claims

The Company upheld its commitment to fulfilling claim obligations by disbursing and reserving a total of $370.9 million in 2023. Efficient claims handling remains a cornerstone of our operations, reflecting our dedication to providing exceptional service and timely support to customers who have experienced losses.

Investments

The Company continues to prioritize a strategic approach to investment management, effectively balancing short-term and long-term opportunities while mitigating both systematic and unsystematic risks. In 2023, total investments declined from $3.9 billion to $3.6 billion, yielding an average return of 3.5 percent. Additionally, the portfolio experienced a 6.7 percent capital depreciation, reflecting the challenges of the current investment climate.

Triennial Cash Profit

The Board has sought to ensure a reasonable return on the investment of our With-Profit Policyholders by declaring a return of Cash Profit of 15 percent. Your cheques will be in the mail tomorrow.

Taxation

The Group contributed $66.9 million by way of taxation to the country's general revenue.

Hand in Hand Trust Corporation Inc.

Hand-in-Hand Trust reported a growth in total equity, which increased by $245 million to $2.7 billion, driven by higher net profit earned during the year.

Total assets grew from $11.6 billion to $12.9 billion, primarily due to a $1.3 billion increase in the fair value of securities, mortgages, loans, and other cash resources.

The Trust Corporation also maintained a strong financial position, achieving a Tier I and Tier II Capital Adequacy Ratio of 24.9 percent for 2023, significantly exceeding the benchmark average of 8.0 percent.

GCIS Inc.

GCIS Inc. reported a surplus of $11.6 million in 2023, compared to $17.3 million in the prior year, primarily due to an increase in claims. Despite this, GCIS remained a prominent player in the Motor Insurance industry, contributing to the Hand-in-Hand Group with its commitment to delivering exceptional service.

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Rupununi Development Company Ltd.

In 2023, Hand-in-Hand acquired a majority stake in RDC, a company engaged in cattle ranching and tourism services.

During the year, Total Assets increased by 10.1 percent, reaching $86.0 million, primarily driven by the rise in the value of biological assets. However, Total Revenue decreased by 27.7 percent, totaling $17.5 million, mainly due to reduced cattle sales activities. The company reported a net loss of $8.5 million, slightly higher than the $7.9 million loss recorded in the previous year.

Staff and customer service.

Customer satisfaction remains our highest priority, and we are committed to continuously exceeding the expectations of our valued customers and the general public. Our dedicated team consistently upholds a high standard of service, ensuring that every interaction reflects our core values of professionalism and care. To support this, we place a strong emphasis on the ongoing development of our staff. We have invested in both internal training programs and external learning opportunities to enhance skills, foster growth, and ensure our team is equipped to deliver exceptional service. This focus on continuous improvement empowers our employees to provide the best possible experience to our customers at all times.

Future Outlook

Global growth is projected to reach 3.1% in 2024, driven by the resilience of the U.S. economy, key emerging markets, and fiscal support from China. This growth outlook reflects the ongoing recovery in these regions, supported by robust demand and fiscal measures aimed at stimulating economic activity. Inflationary pressures are expected to ease across most regions, as supply-side disruptions subside and restrictive monetary policies continue to take effect. Global headline inflation is forecasted to decline to 5.8% in 2024, a significant reduction from previous levels. However, risks remain, including the potential for new commodity price spikes driven by geopolitical shocks, as well as persistent underlying inflation. These factors could result in the extension of tight monetary policies beyond 2024.

In Guyana, real GDP growth is projected to surge by 34.3% in 2024, largely driven by increased oil production from the Prosperity FPSO. This growth reflects the continuing expansion of the oil sector, which remains a critical pillar of the nation's economy. Non-oil GDP is also expected to see strong growth, with a projected increase of 11.9%. This growth is supported by ongoing development in the agriculture, forestry, and fishing sectors, as well as significant expansion in construction and services. Additionally, the bauxite and gold mining industries are anticipated to improve, further contributing to the non-oil sector's growth. Despite these positive developments, inflation in Guyana is expected to rise to 2.5% in 2024, primarily due to external factors that are affecting domestic production and the ability to meet rising demand.

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Future Outlook - cont'd

Hand-in-Hand is fully cognizant of the transformative shifts occurring within the economy and is committed to modernizing its operations to capitalize on emerging opportunities. With a focus on aligning its resources and expertise with high-growth sectors such as housing, infrastructure, and the rapidly expanding Oil & Gas industry, Hand-in-Hand aims to stay ahead of market trends. By strategically positioning itself in these sectors, Hand-in-Hand is poised to contribute to and benefit from the broader economic growth trajectory in the country. The company is dedicated to ensuring that it not only responds to these trends but actively shapes its strategy to leverage these growth areas for long-term success.

Appreciation

As we close another year marked by significant achievements, I would like to take this opportunity to express my sincere appreciation to my fellow Directors, Management, and Staff. Their steadfast dedication, unwavering confidence, and invaluable contributions have been essential in navigating the challenges of this year and ensuring our continued success.

I would also like to extend my heartfelt gratitude to our esteemed policyholders. Your loyalty and support have been instrumental, not only in the past year but throughout our distinguished 158 year journey. The trust you place in us remains a driving force behind our ongoing pursuit of excellence and commitment to meeting your needs.

We deeply appreciate the confidence you have placed in us, and we remain resolutely focused on delivering exceptional service, innovative solutions, and support in the years ahead. Together, we will continue to grow, reach new milestones, and build on our shared success.

Thank you,

JOHN G CARPENTER A.A., BSc.
CHAIRMAN

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

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 2023.

1. Principal Activities

The Hand-in-Hand Mutual Fire Insurance Company Limited provides a comprehensive range of services, among which are Property, Motor, Marine, Bond and Accident insurances.

2. Operational Results

The Company's funds decreased by $70.3 million for the year ended 31 December 2023, compared to an increase in funds of $457.7 million for the previous year.

3. Fire Business

During the year, the Company issued 550 fire policies insuring $24.1 billion, yielding annual premiums of $66.3 million. At the close of the year, 13,339 policies were in force, insuring $203.2 billion with annualised premiums of $603.6 million. At the close of the previous year, there were 13,376 policies in force, insuring $188.3 billion with annualised premiums of $573.6 million. A statement of fire policies issued and expired during the year is shown on page 12 of this report.

4. Motor Business

During the period, 6,650 policies were issued, insuring 6,845 vehicles with annualised premiums of $283.5 million. Previous year figures were 4,794 policies insuring 4,987 vehicles with annualised premiums of $145.8 million.

5. Investments

Investments at the end of the year stood at $3.6 billion as against $3.9 billion the previous year. Certificates for securities held by the Company and those lodged with the Company's bankers as collateral for overdraft and loan facilities have been examined by our auditors.

6. Triennial Cash Profit

The Directors recommend a Cash Profit return of 15% for those policies entitled to earn profit for the triennial period ended 31 December 2023, after deduction of reserve for the unexpired period. This will result in a cash payout of $1.7 million. For the year ended 31 December 2022, a 15% Cash Profit was declared, which resulted in a payout of $1.7 million.

7. Employee Relations

Relations with employees throughout the year were cordial. Training is provided at all levels for technical and personal development.

THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

REPORT OF THE DIRECTORS

8. Directorate

The following Directors retired under Bye-Law 61 & 65 and being eligible, offer themselves for re-election:

Messrs.: John G. Carpenter
Paul A. Chan-A-Sue
Ian A. Mc. Donald

9. Corporate Governance

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 set of mandates granted to committees while retaining specific matters for its decisions.

All the Non-Executive Board members are considered independent and bring vast knowledge, experience and professionalism to the deliberations of the Board.

The committees established by the Board and their Chairpersons are:

Finance and Budget/Audit & Compliance Committee	-	Messrs. Paul Chan-A-Sue
Risk and Investment Committee	-	J.G. Carpenter
Customer Management Committee	-	J.G. Carpenter
Corporate Governance Committee	-	J.G. Carpenter
Marketing Committee	-	W.A. Lee
Underwriting and Reinsurance Committee	-	J.G Carpenter
Human Resources/Compensation Committee	-	T.A. Parris

10. Auditors

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

By Order of the Board

Compton Ramnaraine

Compton Ramnaraine
Company Secretary/Finance Controller

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

POLICIES ISSUED AND EXPIRED

	No. of Policies	Sum Insured (G$M)	Annual Premiums (G$M)
In force as at 2022-12-31	13,376	188,318	574
Issued during the year	550	24,091	66
	13,926	212,409	640
Expired during the year	587	9,201	36
In force as at 2023-12-31	13,339	203,208	604

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of The Hand in Hand Mutual Fire Insurance Company Limited and Subsidiaries, which comprise the consolidated statement of financial position as at 31 December, 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes on the financial statements, including a summary of significant accounting policies as set out on pages 17 to 103 .

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Hand-in-Hand Mutual Fire Insurance Company Limited and Subsidiaries as at 31 December, 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 and its Subsidiaries 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.

Emphasis of Matter

The consolidated financial statements for the year ended 31 December 2023 have been restated to reflect the requirements of IFRS 17, which became effective on 1 January 2023 and was applied retrospectively.
We draw attention to Note 2.2 (a) of the consolidated financial statements, which describes the impact of transition from IFRS 4 to IFRS 17. Our opinion is not modified in respect of this matter

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Group's 2023 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 conclusion thereon.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Other information in the annual report – Cont'd

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 based on the work we have performed, we conclude that if there is a material misstatement of this other information; we are required to report that fact. At the time of our audit report the annual report was not available.

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 International Financial Reporting Standards, 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. The Directors/Management is responsible for overseeing the Company and its Subsidiaries' financial reporting process.

In preparing the Group financial statements, the directors are responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 misstatement, 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 International Standards on Auditing 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 scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the Group's 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;

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's Responsibilities for the Audit of the Financial Statements -Cont'd

– 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 Group's internal control;

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

– Conclude on the appropriateness of 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 Group'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 Group to cease to continue as a going concern;

– Evaluate the overall presentation, structure and content of the Group's financial statements, including the disclosures, and whether the Group's financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 Financial Institutions Act 1995.

The Insurance Act 2016 came into effect in 2018. As explained in Note 41, the Company and its subsidiary GCIS Inc. did not fully comply with the requirements of the Act.

TSD Lal & Co.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 06 December 2024

77 Brickdam,
Stabroek, Georgetown,
Guyana.

THE

HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Company 31 December 2023 G$	Company 31 December 2022 G$ Restated	Group 31 December 2023 G$	Group 31 December 2022 G$ Restated
Insurance revenue	3	1,410,586,836	1,293,541,899	1,576,575,893	1,448,660,387
Insurance service expenses	3	(1,047,227,247)	(913,450,794)	(1,154,640,835)	(1,013,090,432)
Net expense from reinsurance contracts held	3	(313,885,471)	(250,318,464)	(314,952,615)	(255,118,562)
Insurance service result		49,474,118	129,772,641	106,982,443	180,451,393
Net investment income	4	131,794,256	620,787,826	1,074,490,855	1,647,062,056
Net insurance finance expense	4	(3,627,153)	(2,982,347)	(3,914,343)	(3,271,655)
Net investment and insurance finance result		128,167,103	617,805,479	1,070,576,512	1,643,790,401
Other income	5	36,310,739	33,050,016	200,128,416	166,548,923
Other operating expense	6	(388,946,757)	(314,629,469)	(1,034,497,260)	(943,105,660)
Interest expense	6	-	-	(220,264,697)	(206,095,128)
Triennial cash profit	7	(1,683,110)	(1,752,500)	(1,683,110)	(1,752,500)
Property tax		(24,703,275)	(24,028,390)	(48,113,848)	(45,228,763)
Taxation	10	68,107,234	17,459,167	53,177,127	(3,702,035)
Profit/(loss) after taxation		(133,273,948)	457,676,944	126,305,583	790,906,631
Other comprehensive income/(loss)					
Items that will not be reclassified to the consolidated statement of comprehensive income, net of tax:					
Revaluation of land and building		322,618,657	-	489,417,540	-
Net unrealized losses on designated FVOCI financial assets	24	(259,682,439)	-	(306,317,820)	-
Net realized/(losses) gains on designated FVOCI financial assets		-	-	23,896,358	-
Other comprehensive income, after taxation		62,936,218	-	206,996,078	-
Total comprehensive income/(loss) for the year		(70,337,730)	457,676,944	333,301,661	790,906,631
Profit/(loss) after tax attributable to:					
Owners of the Company		(133,273,948)	457,676,944	70,219,499	701,867,797
Non-controlling interests		-	-	56,086,084	89,038,834
		(133,273,948)	457,676,944	126,305,583	790,906,631
Total comprehensive income/(loss) attributable to:					
Owners of the Company		(70,337,730)	457,676,944	227,099,841	701,867,797
Non-controlling interests		-	-	106,201,820	89,038,834
		(70,337,730)	457,676,944	333,301,661	790,906,631

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Company

	Premium capital G$	Capital reserve G$	General reserve G$	Investment reserve G$	Capital redemption reserve G$	Triennial profit G$	Total G$
Balance as at 31 December 2021 (as previously reported)	1,983,207	711,670,443	3,182,668,159	-	1,508,452	1,752,500	3,899,582,761
Adjustment on initial application of IFRS 17 (note 2.2)	-	-	(8,081,603)	-	-	-	(8,081,603)
Balance as at 1 January 2022 (as restated)	1,983,207	711,670,443	3,174,586,556	-	1,508,452	1,752,500	3,891,501,158
Changes in equity 2022							
Total comprehensive income/(loss) for the year	1,476,299	-	456,270,035	-	-	(69,390)	457,676,944
Balance as at 31 December 2022	3,459,506	711,670,443	3,630,856,591	-	1,508,452	1,683,110	4,349,178,102
Adjustment on initial application of IFRS 9 (note 2.2)	-	-	(2,263,766,404)	2,263,766,404	-	-	-
Balance as at 1 January 2023 (as restated)	3,459,506	711,670,443	1,367,090,187	2,263,766,404	1,508,452	1,683,110	4,349,178,102
Changes in equity 2023							
Total comprehensive income/(loss) for the year	(1,692,904)	-	(131,293,541)	(259,682,439)	-	(287,503)	(392,956,387)
Revaluation of land and building, net of tax	-	322,618,657	-	-	-	-	322,618,657
Balance as at 31 December 2023	1,766,602	1,034,289,100	1,235,796,647	2,004,083,965	1,508,452	1,395,607	4,278,840,373

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

THE HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Premium capital G$	Capital reserve G$	Risk reserve G$	Investmet reserve G$	Reserve fund G$	General reserve G$	Capital redemption reserve G$	Triennial profit G$	Non controlling interest G$	Total G$
Balance as at 31 December 2021	1,983,207	843,119,299	198,691,358	-	335,557,569	4,277,147,762	1,508,452	1,752,500	809,529,328	6,469,289,475
Adjustment on initial application of IFRS 17 (note 2.2)	-	-	-	-	-	(5,672,257)	-	-	1,203,566	(4,468,691)
Balance as at 1 January 2022 (as restated)	1,983,207	843,119,299	198,691,358	-	335,557,569	4,271,475,505	1,508,452	1,752,500	810,732,894	6,464,820,784
Changes in equity 2022										
Total comprehensive income for the year	1,476,299	-	-	-	-	700,460,888	-	(69,390)	89,038,834	790,906,631
Transfer to risk reserve	-	-	(98,262,104)	-	-	-	-	-	(27,170,272)	(125,432,376)
Transfer to statutory reserve	-	-	-	-	27,161,153	(21,277,696)	-	-	(5,883,457)	-
On acquisition - RDC	-	-	-	-	-	-	-	-	(11,562,622)	(11,562,622)
Dividend paid	-	-	-	-	-	-	-	-	(986,430)	(986,430)
Balance as at 31 December 2022	3,459,506	843,119,299	100,429,254	-	362,718,722	4,950,658,697	1,508,452	1,683,110	854,168,947	7,117,745,987
Adjustment on initial application of IFRS 9 (note 2.2)	-	-	-	2,965,735,958	-	(2,965,735,958)	-	-	-	-
Balance as at 1 January 2023 (restated)	3,459,506	843,119,299	100,429,254	2,965,735,958	362,718,722	1,984,922,739	1,508,452	1,683,110	854,168,947	7,117,745,987
Changes in equity 2023										
Total comprehensive income for the year	(1,692,904)	433,851,992	-	(286,206,110)	-	81,434,366	-	(287,503)	106,201,820	333,301,661
Transfer to statutory reserve	-	-	-	-	36,753,782	(28,792,438)	-	-	(7,961,344)	-
Dividend paid	-	-	-	-	-	-	-	-	(986,430)	(986,430)
Balance as at 31 December 2023	1,766,602	1,276,971,291	100,429,254	2,679,529,848	399,472,504	2,037,564,667	1,508,452	1,395,607	951,422,993	7,450,061,218

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (ANNUAL) ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

		Company and Group	
	Note	2023 G$	2022 G$ Restated
Insurance revenue		813,543,872	797,374,589
Insurance service expenses		(573,904,501)	(355,138,385)
Net income/(expense) from reinsurance contracts held		(201,852,853)	(337,513,374)
Insurance service result		37,786,518	104,722,830
Net investment income		132,088,291	86,121,816
Other income		34,632,317	31,973,350
Gain on exchange		-	1,291,665
		204,507,126	224,109,661
Other expenses		(339,700,200)	(287,270,148)
Taxation		(31,132,400)	(24,923,852)
Transfer - policies entitled to profit 2023/2025	8	(166,325,474)	(88,084,339)

This account, made up in accordance with Section 83 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with the accompanying Profit and Loss (Triennial) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire policies entitled to profit in 2023.

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (TRIENNIAL) ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Company and Group 2023 G$	2022 G$ Restated
Insurance revenue 2020-2023		11,043,374	12,874,166
Deduct:			
Balance of liability for remaining coverage at 31 December 2020		1,618,955	1,823,164
Transfer - profit and loss (Annual) account	9	(121,350,141)	(43,591,219)
Triennial profit - 15%		1,395,607	1,683,110
		(118,335,579)	(40,084,945)
Transfer from general reserve		129,378,953	52,959,111

This account, made up in accordance with Section 78 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with Profit and Loss (Annual) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire Policies entitled to profit in 2023.

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED

AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		Company			Group		
	Notes	31.12.2023	31.12.2022	01.01.2022	31.12.2023	31.12.2022	01.01.2022
		G$	G$	G$	G$	G$	G$
			Restated	Restated		Restated	Restated
ASSETS							
Cash at banks and on hand	19	145,126,830	168,467,891	117,130,410	386,750,085	425,252,438	468,586,250
Cash on deposits	18	396,047,471	347,308,799	368,384,767	854,115,274	718,760,230	1,072,632,316
Statutory deposits	15	-	-	-	1,203,818,886	1,091,632,602	973,283,849
Tax recoverable		160,794,866	160,794,866	137,947,673	180,997,856	177,232,865	157,090,509
Investments	12	2,606,414,403	2,862,987,047	2,397,371,569	14,309,990,180	13,439,714,907	12,395,330,291
Investment in subsidiaries	13	1,031,878,333	1,031,878,333	948,878,333	-	-	-
Reinsurance contract assets	30 (b), (d)	69,786,619	69,884,392	24,570,069	82,099,641	80,075,703	35,905,508
Receivables and prepayments	16	1,236,325,503	934,136,955	817,737,491	1,359,472,870	965,993,726	917,908,529
Interest accrued	17	8,917,018	15,498,881	10,184,976	16,826,678	32,165,503	17,474,689
Stock of stationery		5,661,385	5,156,015	4,779,523	8,085,228	7,819,168	6,785,234
Properties on hand	14	-	-	1,900,000	31,639,988	102,216,152	106,507,725
Deferred tax assets	10	206,243,532	71,020,391	49,796,545	208,531,012	72,465,275	51,847,461
Biological asset	44	-	-	-	55,739,600	50,448,339	-
Property and equipment	11	2,247,983,444	1,722,442,472	1,732,636,409	2,926,300,834	2,135,603,525	2,165,189,610
Goodwill	35	-	-	-	255,672,892	255,672,892	157,582,464
TOTAL ASSETS		8,115,179,404	7,389,576,042	6,611,317,765	21,880,041,024	19,555,053,325	18,526,124,435
EQUITY AND LIABILITIES							
Capital and reserves							
Premium capital	20	1,766,602	3,459,506	1,983,207	1,766,602	3,459,506	1,983,207
Capital reserve	21	1,034,289,100	711,670,443	711,670,443	1,276,971,291	843,119,299	843,119,299
General reserve	22	1,235,796,647	3,630,856,591	3,174,586,556	2,037,564,667	4,950,658,697	4,271,475,505
Investment reserve	23	2,004,083,965	-	-	2,679,529,848	-	-
Capital redemption reserve	24	1,508,452	1,508,452	1,508,452	1,508,452	1,508,452	1,508,452
Risk reserve	25	-	-	-	100,429,254	100,429,254	198,691,358
Reserve fund	26	-	-	-	399,472,504	362,718,722	335,557,569
Triennial profit	27	1,395,607	1,683,110	1,752,500	1,395,607	1,683,110	1,752,500
		4,278,840,373	4,349,178,102	3,891,501,158	6,498,638,225	6,263,577,040	5,654,087,890
Non-controlling interest	28	-	-	-	951,422,993	854,168,947	810,732,894
		4,278,840,373	4,349,178,102	3,891,501,158	7,450,061,218	7,117,745,987	6,464,820,784
Liabilities							
Payables and accrued expenses	32	217,824,004	99,862,623	125,157,776	481,806,636	344,951,518	391,771,826
Insurance contract liabilities	30 (a), (c)	1,255,301,108	1,075,108,199	1,008,765,673	1,354,329,234	1,163,258,541	1,109,020,046
Bank overdraft	33	85,887,737	145,444,331	72,599,997	85,887,737	145,444,331	127,136,917
Taxes payable		84,672,856	83,997,972	78,127,227	110,914,926	103,927,697	138,436,003
Short term borrowings (secured)	29	108,951,312	118,855,977	108,381,311	108,951,312	118,855,977	108,381,311
Lease liability	34	104,755,595	116,203,392	127,003,200	133,057,482	144,505,279	182,004,980
Medium term borrowings (secured)	29	1,229,375,038	926,478,484	725,334,461	1,229,375,038	926,478,484	725,334,461
Customers' deposits	31	-	-	-	9,928,050,644	8,877,531,288	8,665,760,773
Deferred tax liabilities	10	749,571,381	474,446,962	474,446,962	997,606,797	612,354,223	613,457,334
		3,836,339,031	3,040,397,940	2,719,816,607	14,429,979,806	12,437,307,338	12,061,303,651
TOTAL EQUITY AND LIABILITIES		8,115,179,404	7,389,576,042	6,611,317,765	21,880,041,024	19,555,053,325	18,526,124,435

These financial statements were approved by the Board of Directors on 6 December, 2024

On behalf of the Board:

.... Director

.... Director

.... Company Secretary/Finance Controller

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Company		Group	
		2023	2022	2023	2022
		G$	G$	G$	G$
			Restated		Restated
Operating activities					
Net cash used in operating activities	(a)	(271,609,841)	(263,002,456)	(77,039,511)	(797,296,922)
Investing activities					
Purchase of fixed assets		(53,657,456)	(53,362,338)	(58,256,185)	(65,272,918)
Proceeds from redemption of securities		-	83,000,000	64,517,940	31,945,548
Properties on hand		-	16,000,000	-	18,391,573
Proceeds from sale of fixed assets		(288,732)	181,154	(588,732)	181,154
Purchase of securities		-	(31,674,000)	(48,245,135)	(115,491,282)
Investment in subsidaries		-	(83,000,000)	-	-
Acquisition of subsidiary (Note 35)		-	-	-	(127,753,564)
Loans and receivables (advances)/repayments		(3,122,149)	2,334,122	(1,042,102,249)	(436,295,325)
Medium and short term borrowings		292,991,889	211,618,689	292,991,889	211,618,689
Interest and dividend received		132,088,291	86,121,816	1,043,570,955	903,781,628
Net cash provided by investing activities		368,011,843	231,219,443	251,888,483	421,105,503
Financing activities:					
Lease interest expense		(1,070,369)	(1,009,782)	(14,450,527)	(14,505,527)
Principal lease payments		(10,377,428)	(9,790,026)	(3,002,730)	(23,829,936)
Non Controlling Interest- Dividend		-	-	(986,430)	(986,430)
Net cash used in financing activities		(11,447,797)	(10,799,808)	(18,439,687)	(39,321,893)
Net increase/(decrease) in cash and cash equivalents		84,954,205	(42,582,821)	156,409,285	(415,513,312)
Cash and cash equivalents at beginning of period		370,332,359	412,915,180	998,568,337	1,414,081,649
Cash and cash equivalents at end of period		455,286,564	370,332,359	1,154,977,622	998,568,337
Comprising:					
Cash on deposits		396,047,471	347,308,799	854,115,274	718,760,230
Cash at banks and on hand		145,126,830	168,467,891	386,750,085	425,252,438
Bank overdraft		(85,887,737)	(145,444,331)	(85,887,737)	(145,444,331)
		455,286,564	370,332,359	1,154,977,622	998,568,337

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

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		Company		Group	
		2023 G$	2022 G$ Restated	2023 G$	2022 G$ Restated
(a)	Profit/(loss) before taxation	(201,381,182)	440,217,777	73,128,458	794,608,666
	Adjustments for:				
	Depreciation	51,052,312	49,617,443	67,974,466	60,077,205
	Depreciation- right of use asset	12,211,990	12,211,990	12,211,990	37,486,173
	Lease liability interest expense	1,070,369	1,009,782	14,450,527	14,505,527
	Net change in ECLs	8,235,105	3,960,900	(18,291,027)	(120,901,359)
	Net unrealised (gains)/losses on investments at FVPL	-	(519,275,600)	-	(664,928,392)
	Gain on disposal of property on hand	-	(14,100,000)	-	(14,100,000)
	Increase in mandatory deposits with:	-	-	-	-
	- Bank of Guyana	-	-	(112,186,284)	(118,348,753)
	Dividend and interest income	(132,088,291)	(86,121,816)	(1,043,570,955)	(903,781,628)
	Gain/Loss from disposal of fixed assets	2,838,675	1,545,688	3,057,051	2,714,783
	Operating deficit before working capital changes	(258,061,022)	(110,933,836)	(1,003,225,774)	(912,667,778)
	Increase in customers' deposits	-	-	1,050,519,356	211,770,515
	Decrease/(increase) in reinsurance contract assets	97,773	(45,314,323)	(2,023,938)	44,170,195
	Increase in receivables, prepayments and interest accrued	(260,122,547)	(121,713,369)	(378,140,319)	(62,776,011)
	Increase in biological assets	-	-	(5,291,261)	(811,351)
	Increase in stock of stationery	(376,492)	(376,492)	(266,060)	(1,033,934)
	Increase in insurance contract liabilities	180,192,909	66,342,526	191,070,693	54,238,495
	Increase/(decrease) in other liabilities	117,961,381	(25,295,153)	136,855,118	(46,820,308)
	Cash used in operations	(220,307,998)	(237,290,647)	(10,502,185)	(713,930,177)
	Taxes paid/adjusted	(51,301,843)	(25,711,809)	(66,537,326)	(83,366,745)
	Net cash used in operating activities	(271,609,841)	(263,002,456)	(77,039,511)	(797,296,922)

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

NOTES ON THE ACCOUNTS

1. Incorporation and activities

The Hand-In-Hand Mutual Fire Insurance Company Limited

The Hand-in-Hand Mutual Fire Insurance Company Limited was incorporated in Guyana on 25 October 1865 under Ordinance of Incorporation No. 18 of 1865 .

The Company provides a range of Insurance services and has shareholdings in the following companies:

GCIS Incorporated

Guyana Cooperative Insurance Service was established in Guyana by virtue of Order No. 57 of 1976 made under the Cooperative 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 GCIS was registered as a Public Company, limited by shares under the new name GCIS Incorporated. On the 18 November 1998, The Hand-in-Hand Mutual Fire Insurance Company Limited acquired 66.7% of shares in GCIS Incorporated. The Company's activities include insurance covering fire and motor business.

Hand-In-Hand Trust Corporation Incorporated

In May 1971, the Guyana National Cooperative Bank established a department to carry out various trust services. The department was incorporated as GNCB Trust Company Limited on 28 December, 1971, a wholly owned subsidiary of Guyana National Cooperative Bank.

On 23 February 1977, the GNCB Trust Company Limited was reconstituted and established as the GNCB Trust Corporation by Order No. 13 of 1977, made under the Co-operative Financial Institution Act 1976 (No.8 of 1976).

On 23 February 1999 the GNCB Trust Corporation was incorporated under the Companies Act of Guyana as a company and known as GNCB Trust Corporation Inc.

The GNCB Trust Corporation Inc. was privatized on 20 November 2002 with The Hand-in-Hand Mutual Fire Insurance Company Limited acquiring 90% of the authorized and issued share capital.

On March 14, 2003, 15% of the shares were sold to Hand-In-Hand Mutual Life Assurance Company Limited and 10% were sold to GCIS Incorporated.

GNCB Trust Corporation Inc. was renamed Hand-in-Hand Trust Corporation Incorporated on 25 September 2003.

NOTES ON THE ACCOUNTS

2. Incorporation and activities – cont'd

Hand-In-Hand Trust Corporation Incorporated – cont'd

The Company is registered under the Financial Institutions Act 1995 as a deposit taking financial institution.

Its shareholders are as follows:

Shareholdings	Number of shares	Percentage of Holdings
National Industrial & Commercial Investment Limited	250,000	3%
The Hand-in-Hand Mutual Fire Insurance Company Limited	5,375,000	72%
Hand-in-Hand Mutual Life Assurance Company Limited	1,125,000	15%
GCIS Incorporated	750,000	10%
	7,500,000	

Hand-In-Hand Investments Incorporated

The Company was incorporated in Guyana in September, 2009 and has not commenced operations to date.

The principal activity of the company is investing in properties and shares.

On 31 October 2011 Hand-In-Hand Investments Inc. Issued 100,000 shares fully paid up for an amount of G$ 0.1 million. On 31 December 2020, Hand-in-Hand Trust Corporation Inc. sold 5,000 shares to the Hand-in-Hand Mutual Fire Insurance Company Ltd.

The revised shareholdings are as follows:

Names	**Number of shares**
The Hand-in-Hand Mutual Fire Insurance Company Limited	40,000
Hand-in-Hand Mutual Life Assurance Company Limited	30,000
GCIS Incorporated	30,000
	100,000

NOTES ON THE ACCOUNTS

2 Incorporation and activities – cont'd

Rupununi Development Company Limited

The Company was incorporated in the Cooperative Republic of Guyana on 27 November 1919, and continued under the Companies Act 1991 on May 3, 1997. It operates a cattle ranch with a consumer store for its workers at Rupununi, Region 9, Guyana. The company also attracts tourism.

On the 20th September 2022, The Hand-in-Hand Mutual Fire Insurance Company Limited purchased 105,580 shares from two non-controlling interest shareholders for $31.7 million, taking its shareholdings to 208,232 shares or 56.6% majority.

Employees

During the year the number of employees in the group was 302 (2022 – 296).

2.1 Basis of consolidation

The Consolidated financial statements for the year ended 31 December 2023 comprise those of the Company and its subsidiaries after the elimination of all material intra-company transactions. Control is achieved through ownership of shares. Subsidiaries are consolidated from the date the parent company obtains control until such time as control ceases.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to confirm any dissimilar material accounting policies that may exist.

Non-controlling interest represent the interest not held by the company in GCIS Incorporated, Hand-in-Hand Trust Corporation Inc., Hand-in-Hand Investments Inc and Rupununi Development Company Ltd.

2.2 New and amended accounting standards

(a) Effective 1 January 2023.

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES ON THE ACCOUNTS

2.2 New and amended accounting standards – cont'd

(a) Effective 1 January 2023 – (cont'd).

The following amended standards became effective for the year ended 31 December 2023:

- IFRS 17 Insurance Contracts
  - Amendments to IFRS 17
  - Initial Application of IFRS 17 and IFRS 9 - Comparative Information
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

The Company adopted IFRS 9 – Financial instruments (IFRS 9) on 1 January 2023. While IFRS 9 was effective for annual periods beginning on or after 1 January 2018, IFRS 4 allowed a temporary exemption to delay the implementation of IFRS 9 until IFRS 17 was adopted. Other than IFRS 17 *Insurance Contracts* which is discussed below, none of the amendments have had a material impact to the Group.

In these financial statements, the Group has applied IFRS 17 for the first time from 1 January 2023. IFRS 17 was applied retrospectively as at 1 January 2022 and as a result, comparative information was restated. The adoption of IFRS 17 did not change the classification of the Group's insurance contracts. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance and reinsurance contracts. The nature and the effect of the changes in accounting policies are summarised below.

IFRS 17 introduces a new concept of the General Measurement Model for the recognition and measurement of insurance contracts, which requires measuring insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. In addition, entities have the option to use a simplified measurement model the Premium Allocation Approach (PAA), for short-duration contracts. Under IFRS 17, the Group's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

NOTES ON THE ACCOUNTS

2.2 New and amended accounting standards – cont'd

(a) Effective 1 January 2023 – (cont'd).

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less amounts recognised in revenue for insurance services provided
- IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. Under IFRS 17 the loss component of onerous contracts measured based on projected profitability is recognised immediately in net income.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component
- Measurement of the liability for incurred claims (previously claims admitted or intimated but not paid) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.
- The liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio and the related accretion of the effect of discounting and the changes in interest rates and other financial assumptions now recognized within the statement of comprehensive income.
- Measurement of the reinsurance contracts' asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Group continues to expense its insurance acquisition cash flows as incurred.

The full retrospective approach was principally applied to identify, recognize and measure insurance contracts and reinsurance contract assets held on transition to IFRS 17 where practicable. Where impracticable, the modified retrospective approach was applied. Under the transitional provisions of IFRS 17, the cumulative effect of initially applying IFRS 17 was a decrease to the Company's general reserve of $8,081,603, which was recognized as an adjustment to the general reserve balance in the statement of changes in equity as at January 1, 2022. The decrease is primarily driven by the move to best estimates of insurance contract liabilities and was partially offset by the introduction of discounting the liability for incurred claims.

2.2 New and amended accounting standards – cont'd

(a) Effective 1 January 2023 – (cont'd).

Adoption of IFRS 17 also resulted in the following significant presentation changes:

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contract assets held that are assets and those that are liabilities, are presented net on the consolidated statement of financial position.

Amounts recognized in the consolidated statement of comprehensive income for insurance contracts issued and reinsurance contracts held are disaggregated into (i) an insurance service result, comprised of insurance revenue and insurance service expenses ("net insurance result"), (ii) cost of reinsurance and recoveries of insurance service expense ("net reinsurance result"), and (iii) net insurance finance income or expense.

Changes in the risk adjustment for non-financial risk are not disaggregated between the insurance service result and net finance income or expenses from insurance contracts. All changes in the risk adjustment for non-financial risk are included in the insurance service result in the consolidated statement of comprehensive income.

The Group's classification and measurement of insurance and reinsurance contracts is explained in note 2(b) – Insurance and reinsurance contracts – and significant judgments, and changes in those judgements, and critical estimates when applying IFRS 17 are summarized in note 2.4. Other disaggregated qualitative and quantitative information as required by IFRS 17 is provided in the notes to these financial statements.

There has been no change in the Group's reporting segments on adoption of IFRS 17.

Impact of adoption - IFRS 9 Financial Instruments: Classification and Measurement

The Company adopted IFRS 9 on 1 January 2023 (the same effective date as IFRS 17), as permitted under the June 2020 amendments to IFRS 4 and as a result comparative information was not restated. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification, and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets, and hedge accounting. In summary:

– the classification and measurement categories of financial assets under IFRS 9 are assessed based on the Group's business model for managing those financial assets;

2.2 New and amended accounting standards – cont'd

(a) Effective 1 January 2023 – (cont'd).

- under IFRS 9, the three classification categories for financial assets are: (i) FVTPL (mandatory or designated), (ii) FVOCI, and (iii) amortised cost. IFRS 9, therefore, eliminates the previous IAS 39 measurement categories of FVTPL (held for trading or designated), AFS, held-to-maturity, and loans and receivables;

- an ECL impairment model replaces the IAS 39 incurred loss model. The expected credit loss approach requires an allowance to be established at initial recognition of an asset classified as FVOCI or amortised cost, reflecting the level of losses anticipated having regard to, amongst other things, expected future economic factors. Subsequently, the amount of the allowance is affected by changes in the expectations of loss driven by changes in the associated credit risk. As at the date of transition, it was determined that the impact of ECLs were not material to the Company;

- new hedge accounting requirements have been introduced. The Company does not apply hedge accounting and has, therefore, not considered in detail the changes in this area as a result of adopting IFRS 9;

- the requirements for derecognition under IFRS 9 are broadly unchanged from IAS 39; and

- the classification and measurement for financial liabilities under IFRS 9 are broadly unchanged from IAS 39.

A change of classification as at 1 January 2023 has been applied using the business model criteria of IFRS 9, resulting in equity instruments previously classified as available for sale being designated at FVOCI and a transfer of $2,263,766,404 representing accumulated fair value gains being transferred from the general reserve to the investment reserve.

For the Company's loans and advances, cash and cash equivalents, and other receivables, the objective is to collect the contractual cash flows only, and, therefore, they have been classified as amortised cost. The Company's classification of financial liabilities has remained unchanged.

(b) Pronouncements effective in future periods available for early adoption

A number of other amendments to standards and interpretations have been issued and are not yet effective for the year ended 31 December 2023. None of these are expected to have a material impact on the Group.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, plant, property and equipment and conform with International Financial Reporting Standards. Comparative information has been restated due to the adoption of IFRS 17. In addition, certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

(b) Insurance and reinsurance contracts

The accounting policy set out below is applicable to insurance contracts that are issued by the Group and reinsurance contracts held by the Group unless indicated otherwise.

(i) Classification

Insurance contracts are defined as those containing significant insurance risk. Significant insurance risk criteria is met if, and only if, an insured event could cause an insurer to make significant additional payments in any scenario, excluding scenarios that lack commercial substance, at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

The Group issues short-term general (re)insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. The Group also enters into ceded reinsurance contracts with reinsurers under which the Group transfers significant insurance risk to reinsurers and is compensated for claims on contracts issued by the Group.

(ii) Separating components

The Group assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

(iii) Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes. The level of aggregation for the Group is determined firstly by grouping contracts into portfolios which, with some limited exceptions, are set by class of business. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. No group for level of aggregation purposes may contain contracts issued more than one year apart. The grouping of contracts is not subsequently reconsidered.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held within a calendar year into three groups that comprise of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

A group of insurance contracts is considered to be onerous at initial recognition if the fulfilment cashflows allocated to that group of contracts in total are a net outflow. That is if the present value of expected claims, attributable expenses and risk adjustment exceeds the premium.

(iv) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due, or actually received if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage is recognised at the later of:
  - the beginning of the coverage period of the group; and
  - the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria. Composition of the groups is not reassessed in subsequent periods.

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified such that the modification results in a change in the measurement model.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification of the contract as an adjustment to the relevant liability or asset for remaining coverage.

When a group of insurance contracts is derecognised, adjustments to remove related rights and obligations result in the following amounts being charged immediately to consolidated statement of comprehensive income:

- if the contract is extinguished, any net difference between the derecognised part of the liability for remaining coverage (LRC) of the original contract and any other cash flows arising from extinguishment;

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

- if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or

- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification

(v) Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

- Both of the following criteria are satisfied:
  - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
  - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

(vi) Measurement – Premium Allocation Approach

Initial measurement

The Group applies the premium allocation approach (PAA) to a majority of the insurance contracts that it issues and reinsurance contracts that it holds, because:

- The coverage period of each contract in the group is one year or less; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the LRC for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

For insurance contracts issued, on initial recognition, the Group measures the LRC as the amount of premiums received. The Group considers the right to receive premiums from the policyholder to be settled by the right to receive premiums from the intermediary. For insurance contracts issued, insurance acquisition cash flows are expensed as incurred.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any relevant pre-recognition cash flows. For reinsurance contracts held, broker fees are expensed as incurred.

Subsequent measurement

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is

- increased for premiums received in the period;
- decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period;
- decreased for any investment component paid or transferred to the liability for incurred claims.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- increased for ceding premiums paid in the period;
- decreased for any investment component paid or transferred to the reinsurance assets for incurred claims.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

(vi) Measurement – Premium Allocation Approach

The Group does not adjust the LRC for insurance contracts issued or the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within one year of the coverage period.

The Group estimates the insurance Liability for Incurred Claims (LIC) as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity, and include an explicit adjustment for non-financial risk (the risk adjustment). In addition, the Group adjusts the reinsurance Asset for Incurred Claims (AIC) for the effect of the risk of reinsurer's non-performance.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or has become onerous subsequently, the Group increases the carrying amount of the LRC, recognising a loss component, to the amounts of the excess of the fulfilment cash flows that relate to the remaining coverage of the group of contracts, over the carrying amount of the LRC of the group. The amount of such an increase is recognised in insurance service expenses. Subsequently, the loss component is amortised over the coverage period of the group of contracts.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the reinsurance asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of expected recoveries that will be in the consolidated statement of comprehensive income and a loss-recovery component is established or adjusted for that amount. The loss recovery component is calculated by multiplying the loss component recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts that are reinsured are included in the same group as insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

(vii) Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. Changes to the basis of allocation are accounted for prospectively as a change in accounting estimate.

(viii) Insurance service expenses

Insurance service expenses include the following:

- incurred claims, excluding investment components reduced by loss component allocations;
- other incurred directly attributable expenses;
- commissions and selling costs incurred in the acquisition of insurance contracts;
- changes that relate to past service;
- changes that relate to future service; and
- mandatory reinstatement premiums.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of comprehensive income.

(ix) Allocation of reinsurance premiums

The allocation of reinsurance premiums includes reinsurance premiums and other incurred directly attributable expenses. Reinsurance premium and expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, broker fees and ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance premiums.

2.3 Material accounting policies – cont'd

(b) Insurance and reinsurance contracts – cont'd

(x) Amounts recoverable from reinsurers for incurred claims

The amounts recoverable from reinsurers for incurred claims include:

- incurred claims recoveries, excluding investment components;
- loss-recovery component allocations;
- changes that relate to past service;
- effect of changes in the risk of reinsurers' non-performance;
- amounts relating to accounting for onerous groups of underlying insurance contracts issued; and
- mandatory reinstatement ceded premiums.

(xi) Net insurance finance income or expenses

Net insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- the effect of the time value of money and changes in the time value of money. This mainly comprises of interest accreted on the LIC and interest unwind on the AIC; and
- the effect of financial risk and changes in financial risk. This mainly includes the effect of changes in interest rates i.e., discount rates.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses. The change in the risk adjustment is entirely presented as part of the insurance service result. Foreign exchange gains and losses continue to be presented as net foreign exchange gain/(loss).

(c) Financial Instruments

Financial assets and liabilities are recognized on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include investments receivables, cash resources, payables and customers' deposits. The recognition method adopted is disclosed in the individual policy statements.

2.3 Material accounting policies – cont'd

(c) Financial Instruments – cont'd

The Group, except for Hand-in-Hand Trust Corporation, classifies its financial assets in the following measurement categories, which depends on the business model for managing the financial assets and the contractual terms of the cash flows:

Investments

The Group has classified their investments on the following categories:

Investments at Amortised cost

These investments are financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at fair value through profit or loss (FVPL) and are measured at amortised cost. Amortized cost which represents the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. Such assets held by the Group include loans and receivables, receivables and prepayments, interest accrued, cash on deposit, cash at banks and on hand. The carrying value of these financial assets, except for receivables, at initial recognition includes any directly attributable transactions costs. Interest income from these financial assets is included in net investment income.

Investments at FVPL and FVOCI

These financial assets are primarily equity investments held by the Group and is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. These investments are measured at fair value through profit or loss with net changes in fair value recognized in the statement of comprehensive income. Equity investments held by the Company are not held for trading and have been designated at FVOCI. Dividends on equity investments are recognized as net investment income in the statement of comprehensive income when the right of payment has been established.

Investments in subsidiary

Investments in subsidiary are stated at cost.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(c) Financial Instruments – cont'd

Accounts receivable and prepayments

Accounts receivables and prepayments are measured at amortized cost.

Accounts payables and accruals

Accounts payables and accruals are measured at amortized cost.

Investments

Equity investments held by the Trust are measured at fair value through the profit or loss.

(d) Renegotiated Loans

Hand-in-Hand Trust Corporation Inc.'s policy in relation to renegotiated loans is in accordance with Financial Institutions Act 1995 and Bank of Guyana Supervision Guideline 5.

Loans are renegotiated because of weakness in the borrower's financial position or the non-servicing of debt as arranged or where it is determined that the loan can be renegotiated to remedy the specific difficulties faced by borrower.

(e) Loan provisioning

The Group calculates the provision for ECL based on a three-stage approach. The provision for ECL is a probability weighted estimate of the cash shortfalls expected to result from defaults over the relevant time frame. They are determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. Impairment assessments are completed on individual loans that are classified as doubtful and loss and collective assessments are completed on all other loans.

The Group reviews its portfolio annually. This normally includes a review of collateral held (including reconfirmation of its enforceability) and an assessment of actual and anticipated receipts.

Collateral - It is the Company and Group's policy that all facilities are fully and tangibly secured.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(e) Loan provisioning – cont'd

Classification

Hand-In-Hand Trust Corporation Inc., one of the subsidiaries of the Group classifies its loans according to the Financial Institutions Act of 1995.

Loans are classified as non-accrual whenever there is reasonable doubt regarding the collectability of principal or interest.

Regulatory provisioning for each classification categories are made based on the following minimum level:

Classification	Level of Provision
Pass	0%
Special mention	0%
Substandard	0% - 20%
Doubtful	50%
Loss	100%

A general provision of 1% of the portion of the loan portfolio not individually assessed is also made.

(f) The Risk Reserve

The Risk Reserve is created as an appropriation of retained earnings to account for the difference between the requirements of IFRS 9 (ECLs) adopted by the Trust and the provisions as required under Bank of Guyana Supervision Revised Guideline No.5.

The Hand-In-Hand Trust Corporation Inc. have adopted the requirements of IFRS 9 and makes specific provisions on loans and advances.

The Risk Reserve as at 31 December, 2023 was $128.2 million.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(g) Property and equipment

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 reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to capital reserve.

Depreciation on revalued buildings is charged to the statement of profit or loss and other comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the capital reserve is transferred directly to retained earnings.

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

Depreciation of plant, property and equipment is calculated on 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.

	The Hand-in-Hand Mutual Fire Ins Co. Ltd.	GCIS Inc.	Hand-in-Hand Trust Corporation Inc.
	%	%	%
Building (i)	2	3	–
Office equipment and Machinery	2 – 25	10	5 – 20
Motor vehicles	20	25	25
Computers	50	50	20
Right of use asset (ii)	6	–	6

(i) Depreciation is charged on the parent company's building using the reducing balance method.

2.3 Material accounting policies – cont'd

(g) Property and equipment – cont'd

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount, and is written down immediately to its recoverable amount.

The gain or loss arising on the disposal or retirement of an item of plant, property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

(ii) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(g) Property and equipment – cont'd

Leases - cont'd

The Group did not remeasure the lease liability (nor make a corresponding adjustment to the related right-of-use asset).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented under Property and Equipment in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and measures any identified impairment loss as described above in note 2.3 (g) (i).

(h) Pension plan

A plan was established on 1 January, 1971 and administered under a Trust Deed executed on that date amended later by supplemental deeds. It is a Defined Benefit Plan and covers the employees of The Hand-in-Hand Mutual Fire Insurance Company Limited and GCIS Inc. The main objective and purpose of the plan is to establish a fund for the provision of pension and other benefits for the employees of the Companies as shall become entitled thereto in accordance with the rules. All employees are eligible to join the plan provided they have completed one year of continuous service with the group and have attained the age of 18 years and are under the age of 50 if males or 45 if females. During the year, the companies' contribution to the pension plan was $25,757,807 (2022- $23,741,044). A provision for directors' benefits was established in 2015.

It is administered by The Hand-in-Hand Mutual Fire Insurance Company Limited and is non-contributory. The Company is presently embarking on the winding up of this Pension plan and establishing a Defined Contribution Scheme for staff.

The Hand-in-Hand Trust Corporation Inc. established a defined contribution pension plan for its employees in the year 2000. The assets of the plan are held in a self-administered fund which is separate from the Corporation's finances. Retirement benefits are determined by contributions to the fund together with investment earnings thereon. During 2023, the corporation's contribution to the Plan was $9,933,329 (2022, $8,475,138). The fund balance was $261,871,816 as at 31 December 2023 (31 December 2022 – $330,607,580).

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(i) Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of the business combination.

Goodwill is held at cost less accumulated impairment losses. Impairment reviews are performed annually or more frequently if there is an indication that the carrying value may be impaired. Impairment reviews are performed at the level of the relevant CGU. In identifying CGUs, the Group considers the smallest identifiable group of assets that generate independent cash inflows, how managers monitor operations and the level at which strategic decisions are made.

(j) Cash and cash equivalents

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

(k) Taxation

<u>Income Tax</u>
Income tax expense represents the sum of tax currently payable and deferred 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 and group's liability for current tax is calculated using tax rates that have been enacted in Guyana at the end of the reporting period.

<u>Deferred Tax</u>
Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases 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 period 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.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(k) Taxation - 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 the statement of profit or loss and other comprehensive income 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 and group intends to settle their current tax assets and liabilities on a net basis.

(l) Properties on hand

These properties relate to mortgages that were foreclosed and purchased at public auction. These are stated at fair value.

(m) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in the statement of profit or loss and other comprehensive income for the period.

(n) Premium capital

The premium capital is an accumulation of the 'with profit' premiums net of any refunds, lapses, surrenders and unexpired time. This together with any loss or gain on the profit and loss account is used in the computation of triennial cash profit for distributions amongst members at the end of each triennium period.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(o) Capital reserve

Surplus on revaluation of property, plant and equipment is credited to this reserve.

(p) General reserve

This represents the accumulated surplus or losses of the group together with write off such as unclaimed triennial cash profit.

(q) Capital redemption reserve

A provision is made so as not to reduce the available funds necessary to pay creditors as a result of the redemption of ordinary and preference scrip.

(r) Triennial profit

This represents triennial cash profit, that is, a portion of the profits of the company which is returnable to members in cash at the end of a triennial period in respect of and in proportion to their premium contributions pursuant to the By-Laws of the company. A rate of return is arrived at after taking into account the various prevailing interest rates.

(s) Reserve fund

This reserve is maintained by Hand-in-Hand Trust Corporation Inc. in accordance with the provisions of Section 20 (1) of the Financial Institutions Act 1995 which requires that a minimum 15% of net profit as defined in the Act, be transferred to the reserve fund until the amount of the fund is equal to its paid up capital.

(t) Business information

The group's business information are components 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 information.

NOTES ON THE ACCOUNTS

2.3 Material accounting policies – cont'd

(u) Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the company and group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

De-recognition of provisions

Provisions are de-recognized when it is no longer probable that an outflow of economic resources will be required to settle the obligation.

(v) Dividends

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.

(w) Borrowing costs

Borrowing costs are interest and other costs that the Company and Group incurs in connection with the borrowing of funds – IAS 23 – Borrowing costs. Borrowing costs were expensed during the period.

(x) Biological asset

The company is engaged in the rearing of cattle on a large scale for resale. These are valued at the original cost plus rearing expenses incurred. Each category of livestock was thereon valued at a price relative basis, whereby the lowest realisable market price for each category at 31 December 2023 was used.

(y) Management fees

Management fees are charged to subsidiaries to equitably spread overhead in relation to the management services rendered to this company.

2.4 Use of judgements, estimates and assumptions

In the application of the Company and Group's accounting policies which are described in note 2.3, the directors are required to make judgments, estimates and assumptions about the carrying 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.

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) <u>Liability for incurred claims - estimates of future cash flows</u>

Measurement of the liability for incurred claims (LIC) is determined on a probability-weighted expected value basis and, in contrast to IFRS 4, the LIC is discounted. The LIC also includes an explicit risk adjustment to compensate for non-financial risk. The main assumption underlying estimates of LIC is that the Group's past claims development experience can be used to project expected future claims development and hence ultimate claims costs. As such, techniques are applied to extrapolate the development of paid and incurred losses, average costs per claim (severity) and average number of claims (frequency) based on the observed development of earlier years and, where relevant, expected loss ratios. Historical claims development is analysed by accident period as well as significant business line and claim type. Catastrophic events are separately addressed, either by being reserved at the face value of loss adjuster estimates in the case of very large reported losses, or separately projected to reflect their future development from using relevant judgements.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in the future to arrive at the estimated ultimate cost of claims that represents the probability weighted best estimate expected value outcome per selected actuarial technique from the range of projections, taking account of all the uncertainties involved.

2.4 Use of judgements, estimates and assumptions – cont'd

(ii) Useful lives of property and equipment

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

(iii) Valuation of investments with significant non-observable market inputs

In determining the fair value of investments in the absence of a market inputs, the Directors estimate the likelihood of impairment by using discounted cash flows.

(iv) Determination of expected credit losses

Management exercises judgement on recognition of expected credit losses for each financial asset. Expected credit losses are estimates of any potential default in payments of contractual cash flows taking into account the entirety of the contract life. These losses are reassessed if the credit risk on the instrument changes. Credit risk is determined based on past and forward-looking information. If the retrieval of forward-looking information causes undue cost or effort past information is used to determine credit risk. There exists significant measurement uncertainty in determining this amount as it is based on management's judgement.

(v) Impairment assessment of right-of-use asset

Management has estimated that the entirety of the right of use asset will be recoverable. The carrying amount of right-of-use asset in respect of the property is G$141,085,932 at 31 December 2023 (2022 – G$153,297,922).

NOTES ON THE ACCOUNTS

3 Reporting by Portfolio

The tables below analyses the primary underwriting results by product line.

	Note	Fire G$	Motor G$	Accident and Liability G$	Marine G$	Total G$
Company						
For year ended 31 December 2023						
Insurance revenue	30(a)	647,667,612	587,208,309	166,841,753	8,869,162	1,410,586,836
Insurance service expense	30(a)	(389,872,271)	(531,413,831)	(119,080,845)	(6,860,300)	(1,047,227,247)
Net expense from reinsurance contracts held		(247,191,416)	(44,407,757)	(22,286,298)	-	(313,885,471)
Insurance service result		10,603,925	11,386,721	25,474,610	2,008,862	49,474,118
For year ended 31 December 2022						
Insurance revenue	30(a)	640,142,063	486,660,434	153,482,012	13,257,390	1,293,541,899
Insurance service expense	30(a)	(432,577,544)	(406,989,342)	(66,784,964)	(7,098,944)	(913,450,794)
Net expense from reinsurance contracts held		(189,918,615)	(35,036,899)	(23,330,354)	(2,032,596)	(250,318,464)
Insurance service result		17,645,904	44,634,193	63,366,694	4,125,850	129,772,641
Group						
For year ended 31 December 2023						
Insurance revenue		680,824,873	720,040,105	166,841,753	8,869,162	1,576,575,893
Insurance service expense		(408,690,410)	(620,009,279)	(119,080,845)	(6,860,300)	(1,154,640,835)
Net expense from reinsurance contracts held		(242,813,535)	(49,852,782)	(22,286,297)	-	(314,952,615)
Insurance service result	30(c)	29,320,927	50,178,044	25,474,611	2,008,862	106,982,443
For year ended 31 December 2022						
Insurance revenue		661,248,726	620,672,259	153,482,012	13,257,390	1,448,660,387
Insurance service expense		(444,947,626)	(494,258,898)	(66,784,963)	(7,098,944)	(1,013,090,432)
Net expense from reinsurance contracts held		(185,527,461)	(44,228,151)	(23,330,354)	(2,032,597)	(255,118,562)
Insurance service result	30(c)	30,773,639	82,185,210	63,366,695	4,125,849	180,451,393

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

	Company		Group	
	2023	2022 Restated	2023	2022 Restated
	G$	G$	G$	G$
4 Total investment income and net insurance financial result				
Interest income				
Mortgages & loans	42,448,558	33,998,392	900,845,073	809,059,646
Dividend income				
Equities at FVOCI	89,639,733	52,123,424	142,725,882	94,721,982
Realized gains (losses) on investments at FVTPL and amortised cost				
Changes in fair value on equities at FVTPL	-	519,275,600	-	664,928,392
Realised gain on disposal of properties on hand	-	14,100,000	-	14,100,000
Gains on exchange	-	1,291,665	-	1,291,665
Impairment charge on investments	(294,035)	(1,255)	30,919,900	62,960,371
Net investment income	131,794,256	620,787,826	1,074,490,855	1,647,062,056
Interest accreted from insurance	(3,642,450)	(2,982,347)	(3,922,495)	(3,271,655)
Interest accreted from reinsurance	15,297	-	8,152	-
Net insurance finance expense	(3,627,153)	(2,982,347)	(3,914,343)	(3,271,655)
Total investment income and net insurance finance expense recognised in consolidated statement of comprehensive income	128,167,103	617,805,479	1,070,576,512	1,643,790,401
Total unrealized losses on investments through OCI				
Changes in fair value on equities designated at FVOCI	(259,682,439)	-	-	-
Total realised investment income from:				
Quoted investments	89,639,733	52,123,424	134,585,594	745,670,196
Unquoted investments	42,154,523	568,664,402	939,905,261	901,391,860
	131,794,256	620,787,826	1,074,490,855	1,647,062,056
5 Other income			-	
Management fees - GCIS Inc.	12,000,000	12,000,000	-	-
Management fees - Hand in Hand Trust Corporation Inc.	6,000,000	6,000,000	-	-
Other Fees	-	-	152,839,152	136,098,339
Cash on deposit	7,054,718	6,086,482	7,054,718	6,086,482
Unclaimed triennial cash profit and others	1,678,422	1,076,666	1,678,422	1,076,666
Miscellaneous	9,577,599	7,886,868	38,556,124	23,287,436
	36,310,739	33,050,016	200,128,416	166,548,923

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

6 Expenses by nature

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
		Restated		Restated
Claims and adjustments to LIC	301,444,153	312,437,188	332,982,662	357,218,485
Commissions and allowances	129,184,575	121,168,667	138,470,273	129,493,902
Interest expense on customers' deposits at Hand-in-Hand Trust Corporation Inc.	-	-	220,264,697	206,095,128
Operating expenses	292,440,500	243,073,623	476,254,085	449,866,630
Impairment charge on other financial assets	7,941,070	3,960,900	7941070	3,960,900
Depreciation	63,264,302	61,829,433	80,186,456	72,889,187
Employment costs	621,038,853	470,175,909	1,119,169,401	915,555,527
Directors' emoluments (i)	12,841,716	12,230,209	21,203,340	19,951,583
Auditor's remuneration	8,018,835	3,204,334	12,930,808	7,259,878
	1,436,174,004	1,228,080,263	2,409,402,792	2,162,291,220
Represented by:				
Insurance service expenses	1,047,227,247	913,450,794	1,154,640,835	1,013,090,432
Interest expense	-	-	220,264,697	206,095,128
Other operating expenses	388,946,757	314,629,469	1,034,497,260	943,105,660
	1,436,174,004	1,228,080,263	2,409,402,792	2,162,291,220

(i) Total Directors' emoluments				
J.G. Carpenter - (Chairman - HIHF)	3,776,628	3,596,785	4,268,880	4,210,527
P.A. Chan-Sue - (Chairman - HIH Trust and Chairman - GCIS Inc)	2,266,272	2,158,356	4,489,284	4,052,342
W.A. Lee - (Vice Chairman - HIHF) -(Chairman - RDC)	2,266,272	2,158,356	2,564,112	2,456,196
I.A. Mc Donald	2,266,272	2,158,356	3,358,272	3,129,552
T.A. Parris	2,266,272	2,158,356	3,850,524	3,598,370
K. Evelyn	-	-	690,840	667,406
T. Cadogan	-	-	1,092,000	971,196
R. Rowe	-	-	492,252	468,818
O. Singh	-	-	198,588	198,588
P. Fraser	-	-	198,588	198,588
	12,841,716	12,230,209	21,203,340	19,951,583

THE HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

		Company & Group	
		2023	2022
		G$	G$
7	**Triennial cash profit**		
	Triennial cash profit - 15%	1,683,110	1,752,500
8	**Policies entitled to profits 2022/2025**		
	Policies entitled to profits 2022	-	(78,579,326)
	Policies entitled to profits 2023	(24,913,277)	(5,889,634)
	Policies entitled to profits 2024	(78,134,950)	(3,615,379)
	Policies entitled to profits 2025	(63,277,247)	-
		(166,325,474)	(88,084,339)
9	**Transfer - profit and loss (Annual) account on policies entitled to profit**		
	At 31 December 2020	-	(1,427,039)
	At 31 December 2021	(19,881,005)	(34,251,079)
	At 31 December 2022	(5,889,634)	(7,913,101)
	At 31 December 2023	(95,579,502)	-
		(121,350,141)	(43,591,219)

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

10 Taxation

Taxation on the company and its subsidiaries have been computed based on the applicable tax laws relating to Insurance Companies, Trust Companies and Livestock Company.

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
Reconciliation of tax expenses and accounting profit				
Accounting (loss) profit	(133,273,948)	457,676,944	126,305,583	790,906,631
Corporation tax @ 40%/25%	(53,309,579)	183,070,778	50,522,233	316,362,652
Add:				
Tax effect of expenses not deductible in determining taxable profit	25,178,384	24,724,235	26,633,236	26,211,915
Deduct:				
Income exempt from corporation tax	(38,549,617)	(18,927,179)	(87,526,778)	(48,676,190)
Adjustments and effect of varying tax rates	(66,680,812)	188,867,834	(10,371,309)	293,898,377
Corporation tax prior year	5,114,943	-	20,229,325	20,155,553
Taxes deducted at source from income on deposits	1,949,867	944,679	3,679,288	2,447,407
Capital gains tax	-	2,820,000	-	2,820,000
Deferred tax	(75,172,044)	(21,223,846)	(77,085,740)	(21,720,925)
	(68,107,234)	(17,459,167)	(53,177,127)	3,702,035
Taxation - current	1,949,867	3,764,679	23,908,613	25,422,960
- deferred	(70,057,101)	(21,223,846)	(77,085,740)	(21,720,925)
	(68,107,234)	(17,459,167)	(53,177,127)	3,702,035

NOTES ON THE ACCOUNTS

10 Taxation - cont'd

Deferred tax

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position.

Movement in temporary differences

	Company		
	Property and equipment	Unused tax losses carried forward	Total
	G$	G$	G$
Deferred assets			
At 1 January 2022	447,231	49,349,314	49,796,545
Movement during the year:-			
Statement of profit or loss and other comprehensive income	539,108	20,684,738	21,223,846
At 31 December 2022	986,339	70,034,052	71,020,391
Movement during the year:-			
Statement of profit or loss and other comprehensive income	-	135,223,141	135,223,141
At 31 December 2023	986,339	205,257,193	206,243,532

	Company		
	Property and equipment	Revaluation of land and building	Total
	G$	G$	G$
Deferred liabilities			
At 1 January 2022	-	474,446,962	474,446,962
Movement during the year:-			
Statement of profit or loss and other comprehensive income	-	-	-
At 31 December 2022	-	474,446,962	474,446,962
Movement during the year:-			
Statement of profit or loss and other comprehensive income	60,045,315	215,079,104	275,124,419
At 31 December 2023	60,045,315	689,526,066	749,571,381

NOTES ON THE ACCOUNTS

10 Taxation - cont'd

Deferred tax-cont'd

The following is the analysis of deferred tax asset/(liabilities) presented in the statement of financial position.

Movement in temporary differences

	Group		
	Property, plant and equipment G$	Unused tax losses carried forward G$	Total G$
Deferred assets			
At 1 January 2022	1,768,885	50,078,576	51,847,461
Movement during the year:-			
Statement of profit or loss and other comprehensive income	(66,924)	20,684,738	20,617,814
At 31 December 2022	1,701,961	70,763,314	72,465,275
Movement during the year:-			
Statement of profit or loss and other comprehensive income	(60,887,911)	196,953,648	136,065,737
At 31 December 2023	(59,185,950)	267,716,962	208,531,012

	Group		
	Revaluation of land and building G$	Property, plant and equipment G$	Total G$
Deferred liabilities			
At 1 January 2022	600,573,029	12,884,305	613,457,334
Movement during the year:-			
Statement of profit or loss and other comprehensive income	-	(1,103,111)	(1,103,111)
At 31 December 2022	600,573,029	11,781,194	612,354,223
Movement during the year:-			
Statement of profit or loss and other comprehensive income	386,323,674	(1,071,100)	385,252,574
At 31 December 2023	986,896,703	10,710,094	997,606,797

NOTES ON THE ACCOUNTS

11 (a) Property and equipment

COMPANY

	Freehold land and buildings G$	Right-of-use assets G$	Furniture, equipment and machinery G$	Motor vehicles G$	Total G$
Cost/valuation					
At 1 January 2022	1,401,032,000	173,654,707	445,562,131	151,518,010	2,171,766,848
Additions	80,000	-	20,316,048	32,966,290	53,362,338
Disposals	-	-	(1,442,343)	(3,562,798)	(5,005,141)
At 31 December 2022	1,401,112,000	173,654,707	464,435,836	180,921,502	2,220,124,045
Additions	-	-	24,057,456	29,600,000	53,657,456
Disposals	-	-	(1,156,324)	(20,249,294)	(21,405,618)
Revaluation	537,697,761	-	-	-	537,697,761
At 31 December 2023	1,938,809,761	173,654,707	487,336,968	190,272,208	2,790,073,644
Comprising:					
Cost	214,994,595	173,654,707	487,336,968	190,272,208	1,066,258,478
Valuation	1,723,815,166	-	-	-	1,723,815,166
	1,938,809,761	173,654,707	487,336,968	190,272,208	2,790,073,644
Depreciation					
At 1 January 2022	23,581,800	33,418,977	315,280,248	66,849,414	439,130,439
Charged for the year	11,438,364	12,211,990	16,721,611	21,457,468	61,829,433
Written back on disposals	-	-	(887,678)	(2,390,621)	(3,278,299)
At 31 December 2022	35,020,164	45,630,967	331,114,181	85,916,261	497,681,573
Charge for the year	11,209,597	12,211,990	16,408,960	23,433,755	63,264,302
Written back on disposals	-	-	(1,049,221)	(17,806,454)	(18,855,675)
At 31 December 2023	46,229,761	57,842,957	346,473,920	91,543,562	542,090,200
Net book values:					
At 31 December 2022	1,366,091,836	128,023,740	133,321,655	95,005,241	1,722,442,472
At 31 December 2023	1,892,580,000	115,811,750	140,863,048	98,728,646	2,247,983,444

NOTES ON THE ACCOUNTS

11 (b) Property and equipment

GROUP

	Freehold land and buildings G$	Right-of-use assets G$	Furniture, equipment and machinery G$	Motor vehicles G$	Total G$
Cost/valuation					
At 1 January 2022	1,754,332,000	300,025,621	571,620,517	198,095,912	2,824,074,050
Additions	568,100	-	37,369,053	32,966,290	70,903,443
Disposals	-	-	(15,123,248)	(3,562,798)	(18,686,046)
At 31 December 2022	1,754,900,100	300,025,621	593,866,322	227,499,404	2,876,291,447
Additions	411,460	-	28,244,725	29,600,000	58,256,185
Disposals	-	-	(17,633,368)	(20,249,294)	(37,882,662)
Revaluation	804,486,301	-	-	-	804,486,301
At 31 December 2023	2,559,797,861	300,025,621	604,477,679	236,850,110	3,701,151,271
Comprising:					
Cost	240,622,731	300,025,621	604,477,679	236,850,110	1,381,976,141
Valuation	2,319,175,130	-	-	-	2,319,175,130
	2,559,797,861	300,025,621	604,477,679	236,850,110	3,701,151,271
Accumulated depreciation					
At 1 January 2022	29,355,870	109,241,526	418,894,282	101,392,762	658,884,440
Charged for the year	14,196,142	37,486,173	20,226,420	25,654,643	97,563,378
Written back on disposals	-	-	(13,369,275)	(2,390,621)	(15,759,896)
At 31 December 2022	43,552,012	146,727,699	425,751,427	124,656,784	740,687,922
Charge for the year	13,911,357	12,211,990	26,802,307	27,260,802	80,186,456
Written back on revaluation	(11,209,598)	-	-	-	(11,209,598)
Written back on disposals	-	-	(17,007,889)	(17,806,454)	(34,814,343)
At 31 December 2023	46,253,771	158,939,689	435,545,845	134,111,132	774,850,437
Net book values:					
At 31 December 2022	1,711,348,088	153,297,922	168,114,895	102,842,620	2,135,603,525
At 31 December 2023	2,513,544,090	141,085,932	168,931,834	102,738,978	2,926,300,834

NOTES ON THE ACCOUNTS

12 Investments and fair value hierarchy

The following tables present investments by type and measurement category and summarizes how fair values were determined for recurring measurements:

	Company					
	2023			2022		
	Fair value level	Carrying value and fair value G$	Cost G$	Fair value level	Carrying value and fair value G$	Cost G$
FVOCI (2022: Held for trading)						
Common shares and other stocks						
Guyana	1	2,262,014,980	478,080,270	1	2,513,830,692	478,080,270
Canada	1	130,818,374	24,684,283	1	127,757,437	24,684,283
United States	1	205,320,242	42,277,902	1	216,247,906	42,277,902
		2,598,153,596	545,042,455		2,857,836,035	545,042,455
Loans and advances at amortised cost						
Mortgages 12 (c)	2	342,270	342,270	2	342,270	342,270
MCG investment	2	11,902,791	11,902,791	2	8,780,642	8,780,642
Interest accrued	2	8,917,018	8,917,018	2	15,498,881	15,498,881
Allowance for ECLs		(3,984,254)	(3,984,254)		(3,971,900)	(3,971,900)
		17,177,825	17,177,825		20,649,893	20,649,893
Total investments		2,615,331,421	562,220,280		2,878,485,928	565,692,348

NOTES ON THE ACCOUNTS

12 Investments and fair value hierarchy - cont'd

	Group					
	2023			2022		
	Fair value level	Carrying value and fair value G$	Cost G$	Fair value level	Carrying value and fair value G$	Cost G$
FVOCI/Held to collect						
Debt securities at amortised cost						
Bonds & Debentures:-						
Caribbean - Government 12(a)	2	300,423,707	300,423,707	2	282,108,558	282,108,558
Caribbean - Corporates 12(b)	2	804,161,874	804,161,874	2	645,916,739	645,916,739
Allowance for ECLs		(40,048,131)	(40,048,131)		(40,048,131)	(40,048,131)
		1,064,537,450	1,064,537,450		887,977,166	887,977,166
FVTPL (2022: Held for trading)						
Shares, other stocks and bonds						
Guyana		3,198,815,398	478,080,270		3,535,725,062	468,679,338
Canada		154,354,132	24,684,283		150,757,050	40,868,841
United States		277,672,082	42,277,902		274,681,361	77,283,971
Others		693,116,388	674,642,073		757,686,082	674,642,073
		4,323,958,000	1,219,684,528		4,718,849,555	1,261,474,223
Loans and advances at amortised cost						
Mortgages	2	8,981,900,505	8,913,576,193	2	7,914,694,783	7,914,694,783
MCG investment	2	11,902,791	11,902,791	2	8,780,642	8,780,642
Interest accrued	2	16,826,678	16,826,678	2	32,165,503	32,165,503
Allowance for ECLs		(72,308,566)	(72,308,566)		(90,587,239)	(90,587,239)
Mortgages net of ECL 12(c)		8,938,321,408	8,869,997,096		7,865,053,689	7,865,053,689
Total investments at fair value		14,326,816,858	11,154,219,074		13,471,880,410	10,014,505,078

NOTES ON THE ACCOUNTS

12 Investments and fair value hierarchy - cont'd

Investment securities	Year of maturity	Rate of interest	Collateral	2023 G$	2022 G$
Debt securities at amortised cost					
12 (a) Caribbean- Government					
T&T Housing Bond	2025	7.00	Secured	57,300,000	57,300,000
Gov't of St. Kitts New Discount Bonds	2032	3.00	Secured	5,334,379	5,889,405
Gov't of St Kitts New Par Bonds	2057	1.50	Secured	9,148,071	9,148,071
Barbados Port Inc.	2024	8.00	Secured	15,392,188	29,771,082
TSTT Bridge Bond	2029	8.30	Secured	180,000,000	180,000,000
Govt of TT	2037	4.25	Secured	33,249,069	-
Allowance for ECLs				(40,048,131)	(40,048,131)
				260,375,576	242,060,427
12 (b) Caribbean - Corporates					
JMMB Repurchase Agreement	2024	1.95	Secured	42,807,351	60,915,785
JMMB Repurchase Agreement	2024	1.85	Secured	351,354,523	285,000,954
Hand in Hand Life Assurance Co. Ltd.	2024	2.75	Secured	300,000,000	300,000,000
Bank of Baroda	2024	1.25	Secured	110,000,000	-
				804,161,874	645,916,739

12 (c) Mortgages at amortised cost

	Company 2023 G$	Company 2022 G$	Group 2023 G$	Group 2022 G$
Accrual loan and advances	12,245,061	9,122,912	4,959,042,290	4,522,205,341
Non accruals loan and advances	-	-	3,966,436,694	3,401,270,084
	12,245,061	9,122,912	8,925,478,984	7,923,475,425
Interest accrued	8,917,018	15,498,881	16,826,678	32,165,503
Allowance for ECLs	(3,984,254)	(3,971,900)	(3,984,254)	(90,587,239)
	17,177,825	20,649,893	8,938,321,408	7,865,053,689

12 (d) Properties

	Company 2023 G$	Company 2022 G$	Group 2023 G$	Group 2022 G$
Property and Equipment	2,247,983,444	1,722,442,472	2,926,300,834	2,135,603,525
Properties on hand			31,639,988	102,216,152

NOTES ON THE ACCOUNTS

12 Investments and fair value hierarchy - cont'd

Fair value measurements recognised in the statement of financial position

Investments recorded at fair value in the consolidated statement of financial position are measured and classified in a hierarchy consisting of three levels for disclosure purposes. The three levels are based on the significance and reliability of the inputs to the respective valuation techniques. The input levels are defined as follows:

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

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

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Valuation techniques and assumptions applied for the purpose of measuring fair value

The Group is responsible for determining the fair value of its investment portfolio by utilizing market-driven measurements obtained from active markets where available, by considering other observable and unobservable inputs and by employing valuation techniques that make use of current market data.

(i) **Common shares and other stocks**

The fair values of the Company's and Group's equity investments are based on unadjusted quoted prices for identical instruments exchanged in active markets. A market is regarded as active if quoted market prices are readily and regularly available from an exchange, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) **Loans and advances**

The fair value of the mortgages has been calculated by discounting the expected cash flows of each instrument utilising discount rates for instruments of similar maturity, adjusted for specific credit risk, prevailing market conditions, the value of the properties that the mortgage is secured by and other indicators of creditworthiness.

(iii) **Properties**

The fair values of freehold property and properties on hand related to foreclosed mortgages have been derived by comparable market transactions with respect to land, and the current replacement cost with respect to buildings. The most significant inputs for are recent market transactions and the current replacement cost per square foot, both are considered to be observable.

NOTES ON THE ACCOUNTS

12 Investments and fair value hierarchy - cont'd

Valuation techniques and assumptions applied for the purpose of measuring fair value - cont'd

(iii) Properties - cont'd

During the year ended 30 June 1980, The Hand-in-Hand Mutual Fire Insurance Company Limited's land and buildings were revalued by an independent professional valuer. The surplus on revaluation amounting to G$808,179 was credited to capital reserve. Another revaluation was done on 12 May 1994 by the Directors and an additional revaluation surplus of G$77,875,716 was credited to capital reserve. A further revaluation was again done on 4 May 2002 by an independent professional valuer, Mr. Hugo Curtis, FRICS - Chartered Valuation Surveyor. A surplus on revaluation amounting to G$1,006,976,410 was credited to capital reserve. A revaluation was again done on 31 December 2020 by Mr. Travis Davis, Valuer. The surplus arising on revaluation was credited to revaluation reserve.

The GCIS Incorporated's land and buildings were revalued on 7 March 1994 by Mr. Moneer Khan, Valuer, but the revalued figures were not brought in 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. The surplus arising on revaluation was credited to Revaluation Reserve. A further revaluation was again done on 12 November, 2008 by Mr. Pavel Benn, Valuer. A revaluation was again done on 31 December 2019 by Mr. Travis Davis, Valuer. The surplus arising on revaluation was credited to revaluation reserve.

Certain freehold properties were revalued during the year by an independent professional valuer resulting in surplus on revaluation amounting to G$322,618,657 being credited to capital 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.

Properties on hand relates to foreclosed mortgages. The valuation of these properties was done by an independent professional valuer Mr. Hugo Curtis, FRICS - Chartered Valuation Surveyor.

NOTES ON THE ACCOUNTS

13 Investment in subsidiaries

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
GCIS Inc.	215,000,000	215,000,000	-	-
HIH Trust Corporation Inc.	733,838,333	733,838,333	-	-
HIH Investment Inc.	40,000	40,000	-	-
Rupununi Development	83,000,000	83,000,000	-	-
	1,031,878,333	1,031,878,333	-	-

14 Properties on hand

	Company		Group	
Cost	2023	2022	2023	2022
	G$	G$	G$	G$
Opening balance	-	1,900,000	102,216,152	106,507,725
Payments	-	-	1,978,242	-
Disposal	-	(1,900,000)	(72,554,406)	(1,900,000)
Provision for diminution in value	-	-	-	(2,391,573)
Closing balance	-	-	31,639,988	102,216,152

15 Statutory deposits

	Group	
	2023	2022
	G$	G$
Deposit at Bank of Guyana	1,203,818,886	1,091,632,602

This amount represents a statutory deposit by the Trust and is not available for use.

NOTES ON THE ACCOUNTS

16 Receivables and prepayments

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
		Restated		Restated
Prepayments	11,805,269	9,218,147	26,045,813	19,292,588
Other receivables (16(a))	1,262,242,759	952,216,075	1,386,806,716	978,311,716
	1,274,048,028	961,434,222	1,412,852,529	997,604,304
Less: Allowance for ECLs (Individually assessed)	(37,722,525)	(27,297,267)	(53,379,659)	(31,610,578)
	1,236,325,503	934,136,955	1,359,472,870	965,993,726

16 (a) Included in this amount is a deposit for the acquisition of 10,000 shares in the Hand-In-Hand Investment USA Inc. of $2.2 million.

Hand-in-Hand Investment USA Inc. was incorporated in the state of Florida, USA on 1 January, 2018 and is a subsidiary of The Hand-in-Hand Mutual Fire Insurance Company Ltd. The primary purpose of this company is to manage investments held on behalf of the Hand-in-Hand Group. Certain key management and directors of The Hand-in-Hand Mutual Fire Insurance Company Limited are directors of the Hand-in-Hand Investments USA Inc. As at 31 December, 2022, an amount of G$1.1 billion is held in trust on behalf of the Hand-in-Hand Mutual Life Assurance Company Limited. At the year end, no shares were issued by the Hand-in-Hand Investment USA Inc. and the net liability of the Company was G$18,501,679. This Company was not included in the consolidated financial statements as it was considered immaterial to the group.

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
17 Interest accrued				
Bonds	-	-	5,999,785	13,757,874
Deposits at banks	5,348,535	5,635,912	7,258,410	8,544,660
Investments	3,568,483	9,862,969	3,568,483	9,862,969
	8,917,018	15,498,881	16,826,678	32,165,503

NOTES ON THE ACCOUNTS

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
18 Cash on deposits				
Non statutory deposits:				
Term deposits	249,015,867	248,243,732	566,858,956	577,248,855
Other deposits	147,031,604	99,065,067	287,256,318	141,511,375
	396,047,471	347,308,799	854,115,274	718,760,230
19 Cash at banks and on hand				
Cash at banks	143,873,828	167,441,096	357,418,363	397,340,225
Cash on hand	1,253,002	1,026,795	29,331,722	27,912,213
	145,126,830	168,467,891	386,750,085	425,252,438

	Company and Group	
	2023	2022
	G$	G$
20 Premium capital		
Policies entitled to profit 2024	-	2,025,846
Policies entitled to profit 2025	-	1,433,660
Policies entitled to profit 2026	1,766,602	-
	1,766,602	3,459,506

21 Capital reserve	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
At beginning	711,670,443	711,670,443	843,119,299	843,119,299
Revaluation of land and building	322,618,657	-	433,851,992	-
At end	1,034,289,100	711,670,443	1,276,971,291	843,119,299

This represents the fair value adjustment on the revaluation of land and building and is not distributable.

NOTES ON THE ACCOUNTS

22 General reserve

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
At beginning	3,630,856,591	3,174,586,556	4,950,658,697	4,277,147,762
Initial application of IFRS 17	-	-	-	(5,672,257)
Initial application of IFRS 9	(2,263,766,404)	-	(2,965,735,958)	-
Total comprehensive income	(131,293,541)	456,270,035	81,434,366	700,460,888
Transfer to statutory reserve	-	-	(28,792,438)	(21,277,696)
At end	1,235,796,647	3,630,856,591	2,037,564,667	4,950,658,697

23 Investment reserve

	Company	Group
	2023	2023
	G$	G$
At beginning	-	-
Initial application of IFRS 9	2,263,766,404	2,965,735,958
Total comprehensive income	(259,682,439)	(286,206,110)
At end	2,004,083,965	2,679,529,848

The investment reserve comprises the cumulative net change in fair value of the Company's common shares and other stocks designated at FVOCI.

24 Capital redemption reserve

	Company and Group	
	2023	2022
	G$	G$
Ordinary scrip redeemed	600,000	600,000
Preference scrip redeemed	908,452	908,452
	1,508,452	1,508,452

25 Risk reserve

	Group	
	2023	2022
	G$	G$
At beginning	(98,262,104)	-
Transfer from general reserve	-	(98,262,104)
At end	(98,262,104)	(98,262,104)

NOTES ON THE ACCOUNTS

26 Reserve fund

	Group	
	2023	2022
	G$	G$
At beginning	362,718,722	335,557,569
Transfer from retained earnings	36,753,780	27,161,153
At end	399,472,502	362,718,722

This reserve is maintained in accordance with the provisions of section 20 (1) of the Financial Institutions Act 1995 which requires that minimum 15% of net profit as defined in the Act, be transferred to the Reserve Fund until the amount of the Fund is equal to the paid up capital of the Trust.

27 Triennial profit

	Company and Group	
	2023	2022
	G$	G$
Triennial cash profit	1,395,607	1,683,110

This represents triennial cash profit on fire policies entitled to profit for the financial year.

28 Non - controlling interest

	Group	
	2023	2022
	G$	G$
At beginning	854,168,947	809,529,328
Initial application of IFRS 17	-	1,203,566
Total comprehensive income for the year	106,201,820	89,038,834
Dividend paid	(986,430)	(986,430)
Transfer from risk reserve	-	(27,170,272)
On acquisition - RDC	-	(11,562,622)
Transfer to statutory reserve	(7,961,344)	(5,883,457)
At end	951,422,993	854,168,947

29 Loan from Hand-in-Hand Mutual Life Assurance Company Limited

	Company & Group	
	2023	2022
	G$	G$
At beginning	1,045,334,461	833,715,772
Additions	321,123,021	320,000,000
Repayment	(28,131,132)	(108,381,311)
At end	1,338,326,350	1,045,334,461
Short term	108,951,312	118,855,977
Medium term	1,229,375,038	926,478,484
	1,338,326,350	1,045,334,461

The loan is secured by an unallocated portion of property situated at 1 - 4 Avenue of the Republic, Lacytown, Georgetown and interest is payable at a rate of 6% per annum.

NOTES ON THE ACCOUNTS

30 Insurance contracts issued and reinsurance contracts held

30 (a) *Movements in the carrying amount - Insurance contract liabilities*

The roll-forward of the net liabilities for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below.

Company	Liability for Remaining Coverage	Liability for Incurred Claims		
	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 2022	682,228,335	293,109,467	33,427,871	1,008,765,673
Insurance revenue	(1,293,541,899)	-	-	(1,293,541,899)
Insurance service expenses				
Insurance acquisition costs	321,154,597	-	-	321,154,597
Incurred claims and other directly attributable expenses	-	597,986,953	29,974,972	627,961,925
Changes that relate to past service - adjustment to LIC	-	(24,517,093)	(11,148,636)	(35,665,729)
Insurance service result before net reinsurance expense	(972,387,302)	573,469,861	18,826,336	(380,091,105)
Net finance expense for insurance contracts issued	-	2,699,024	283,323	2,982,347
Total changes in the Profit or Loss Account	(972,387,302)	576,168,885	19,109,659	(377,108,758)
Cash flows				
Premiums received net of acquisition costs	967,170,751	-	-	967,170,751
Claims and other insurance services expenses paid	-	(523,719,466)	-	(523,719,466)
Total cash flows	967,170,751	(523,719,466)	-	443,451,284
Insurance contract liabilities as at 31 December 2022	**677,011,784**	**345,558,885**	**52,537,530**	**1,075,108,199**
For year ended 31 December 2023				
Insurance contract liabilities as at 1 January 2023	677,011,784	345,558,885	52,537,530	1,075,108,199
Insurance revenue	(1,410,586,836)	-	-	(1,410,586,836)
Insurance service expenses				
Insurance acquisition costs	384,366,216	-	-	384,366,216
Incurred claims and other directly attributable expenses	-	674,490,777	32,511,839	707,002,616
Changes that relate to past service - adjustment to LIC	-	(18,840,872)	(25,300,713)	(44,141,585)
Insurance service result before net reinsurance expense	(1,026,220,620)	655,649,905	7,211,126	(363,359,589)
Net finance expense for insurance contracts issued		3,296,417	346,033	3,642,450
Total changes in the Profit or Loss Account	(1,026,220,620)	658,946,322	7,557,159	(359,717,139)
Cash flows				
Premiums received net of acquisition costs	1,169,118,053	-	-	1,169,118,053
Claims and other insurance services expenses paid	-	(629,208,005)	-	(629,208,005)
Total cash flows	1,169,118,053	(629,208,005)	-	539,910,048
Insurance contract liabilities as at 31 December 2023	**819,909,217**	**375,297,202**	**60,094,689**	**1,255,301,108**

NOTES ON THE ACCOUNTS

30 Insurance contracts issued and reinsurance contracts held

30 (b) *Movements in the carrying amount - Reinsurance contract assets*

The roll-forward of the net assets for reinsurance contracts held showing the asset for remaining coverage and the amounts recoverable for incurred claims is disclosed in the table below:

Company	**Liability for Remaining Coverage**	**Asset for Incurred Claims**		
	Excluding loss component	Present Value of future cash flows	Risk adjustment for non-financial risk	**Total**
Reinsurance contract assets as at 1 January 2022	(19,334,739)	42,002,940	3,565,549	26,233,750
Allocation of reinsurance premiums paid	(307,185,778)	-	-	(307,185,778)
Amounts recoverable from reinsurers for incurred claims	-	54,783,020	2,289,313	57,072,333
Changes to amounts recoverable for incurred claims	-	-	(205,019)	(205,019)
Net expense from reinsurance contracts held	(307,185,778)	54,783,020	2,084,294	(250,318,464)
Net finance income for reinsurance contracts held	-	951,757	84,996	1,036,753
Total changes in the Profit or Loss Account	(307,185,778)	55,734,777	2,169,290	(249,281,711)
Cash flows				
Premiums paid	295,016,373	-	-	295,016,373
Recoveries received	-	(2,084,020)	-	(2,084,020)
Total cash flows	295,016,373	(2,084,020)	-	292,932,353
Reinsurance contract assets as at 31 December 2022	**(31,504,144)**	**95,653,697**	**5,734,839**	**69,884,392**
Reinsurance contract assets as at 1 January 2023	**(31,504,144)**	**95,653,697**	**5,734,839**	**69,884,392**
Allocation of reinsurance premiums paid	(326,296,740)	-	-	(326,296,740)
Amounts recoverable from reinsurers for incurred claims	-	12,356,247	55,022	12,411,269
Changes to amounts recoverable for incurred claims	-	-	-	-
Net expense from reinsurance contracts held	(326,296,740)	12,356,247	55,022	(313,885,471)
Net finance income for reinsurance contracts held		14,840	457	15,297
Total changes in the Profit or Loss Account	(326,296,740)	12,371,087	55,479	(313,870,174)
Cash flows				
Premiums paid	314,858,601	-	-	314,858,601
Recoveries received	-	(1,086,200)	-	(1,086,200)
Total cash flows	314,858,601	(1,086,200)	-	313,772,401
Reinsurance contract assets as at 31 December 2023	**(42,942,283)**	**106,938,584**	**5,790,318**	**69,786,619**

NOTES ON THE ACCOUNTS

30 Insurance contracts issued and reinsurance contracts held

30 (c) *Movements in the carrying amount - Insurance contract liabilities*

The roll-forward of the net liabilities for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims is disclosed in the table below.

Group	Liability for Remaining Coverage	Liability for Incurred Claims		
	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 2022	760,672,608	313,959,657	34,387,781	1,109,020,046
Insurance revenue	(1,481,642,096)	-	-	(1,481,642,096)
Insurance service expenses				
Insurance acquisition costs	329,479,832	-	-	329,479,832
Incurred claims and other directly attributable expenses	-	696,527,924	31,328,368	727,856,292
Changes that relate to past service - adjustment to LIC	-	(24,517,093)	(11,240,300)	(35,757,393)
Insurance service result before net reinsurance expense	(1,152,162,264)	672,010,831	20,088,068	(460,063,365)
Net finance expense for insurance contracts issued	-	2,948,617	322,038	3,270,655
Total changes in the Profit or Loss Account	(1,152,162,264)	674,959,448	20,410,106	(456,792,710)
Cash flows				
Premiums received net of acquisition costs	1,141,605,389	-	-	1,141,605,389
Claims and other insurance services expenses paid	-	(630,574,184)	-	(630,574,184)
Total cash flows	1,141,605,389	(630,574,184)	-	511,031,205
Insurance contract liabilities as at 31 December 2022	**750,115,733**	**358,344,921**	**54,797,887**	**1,163,258,541**
For year ended 31 December 2023				
Insurance contract liabilities as at 1 January 2023	750,115,733	358,344,921	54,797,887	1,163,258,541
Insurance revenue	(1,596,514,352)			(1,596,514,352)
Insurance service expenses				
Insurance acquisition costs	393,651,914	-	-	393,651,914
Incurred claims and other directly attributable expenses	-	783,760,934	33,204,001	816,964,935
Changes that relate to past service - adjustment to LIC	-	(19,675,438)	(25,647,645)	(45,323,083)
Insurance service result before net reinsurance expense	(1,202,862,438)	764,085,496	7,556,356	(431,220,586)
Net finance expense for insurance contracts issued		3,495,081	427,414	3,922,495
Total changes in the Profit or Loss Account	(1,202,862,438)	767,580,577	7,983,770	(427,298,091)
Cash flows				
Premiums received net of acquisition costs	1,347,871,634	-	-	1,347,871,634
Claims and other insurance services expenses paid	-	(729,502,850)	-	(729,502,850)
Total cash flows	1,347,871,634	(729,502,850)	-	618,368,784
Insurance contract liabilities as at 31 December 2023	**895,124,929**	**396,422,648**	**62,781,657**	**1,354,329,234**

Included in the insurance contracts' liability for incurred claims are unclaimed payments, of $940,326 (2022 - $940,326) to Life Policyholders that are held in a Trust Deed with Republic Bank Guyana Limited. The Life Portfolio is fully wound up as at December 31, 2019.

NOTES ON THE ACCOUNTS

30 Insurance contracts issued and reinsurance contracts held

30 (d) *Movements in the carrying amount - Reinsurance contract assets*

The roll-forward of the net assets for reinsurance contracts held showing the asset for remaining coverage and the amounts recoverable for incurred claims is disclosed in the table below.

Group	Liability for Remaining Coverage	Asset for Incurred Claims		
	Excluding loss component	Present Value of future cash flows	Risk adjustment for non-financial risk	Total
Reinsurance contract assets as at 1 January 2022	(8,512,691)	40,789,888	3,628,311	35,905,508
Allocation of reinsurance premiums paid	(335,123,333)	-	-	(335,123,333)
Amounts recoverable from reinsurers for incurred claims	-	57,942,299	2,310,553	60,252,852
Changes to amounts recoverable for incurred claims	-	287,308	(257,075)	30,233
Net expenses from reinsurance contracts held	(335,123,333)	58,229,607	2,053,478	(274,840,248)
Net finance income for reinsurance contracts held	-	950,672	85,081	1,035,753
Total changes in the Profit or Loss Account	(335,123,333)	59,180,279	2,138,559	(273,804,495)
Cash flows				
Premiums paid	322,004,937	-	-	322,004,937
Recoveries received	-	(4,030,247)	-	(4,030,247)
Total cash flows	322,004,937	(4,030,247)	-	317,974,690
Reinsurance contract assets as at 31 December 2022	**(21,631,087)**	**95,939,920**	**5,766,870**	**80,075,703**
Reinsurance contract assets as at 1 January 2023	**(21,631,087)**	**95,939,920**	**5,766,870**	**80,075,703**
Allocation of reinsurance premiums paid	(348,266,310)	-	-	(348,266,310)
Amounts recoverable from reinsurers for incurred claims	-	13,622,965	97,732	13,720,697
Changes to amounts recoverable for incurred claims	-	(286,100)	(59,361)	(345,461)
Net expenses from reinsurance contracts held	(348,266,310)	13,336,865	38,371	(334,891,074)
Net finance income for reinsurance contracts held		6,918	1,234	8,152
Total changes in the Profit or Loss Account	(348,266,310)	13,343,783	39,605	(334,882,922)
Cash flows				
Premiums paid	338,659,238	-	-	338,659,238
Recoveries received	-	(1,752,378)	-	(1,752,378)
Total cash flows	338,659,238	(1,752,378)	-	336,906,860
Reinsurance contract assets as at 31 December 2023	**(31,238,159)**	**107,531,325**	**5,806,475**	**82,099,641**

NOTES ON THE ACCOUNTS

31 Customers' deposits

	Group	
	2023	2022
	G$	G$
Fixed	7,241,341,109	6,936,213,698
Savings	2,686,709,535	1,941,317,590
	9,928,050,644	8,877,531,288

Customers' deposits - by maturity

Fixed - within one year	6,621,064,752	6,348,315,456
Savings - on demand	2,686,709,535	1,941,317,590
	9,307,774,287	8,289,633,046
Fixed - over one year	620,276,357	587,898,242
	9,928,050,644	8,877,531,288

This amount represents interest earning deposits held for customers at HIH Trust Corporation Inc.

The average interest rates are as follows:

Fixed	-	1.35% - 5.0%
Savings	-	2.0%

32 Payables and accrued expenses

	Company		Group	
	2023	2022	2023	2023
	G$	G$	G$	G$
		Restated		Restated
Other payables	209,971,103	96,859,719	462,518,652	331,218,000
Accruals	7,852,901	3,002,904	19,287,984	13,733,518
	217,824,004	99,862,623	481,806,636	344,951,518

NOTES ON THE ACCOUNTS

33 Bank overdraft

	Company		Group	
	2023	2022	2023	2023
	G$	G$	G$	G$
Republic Bank (Guyana) Limited - secured(i)	85,887,737	140,895,651	85,887,737	140,895,651
Bank of Nova Scotia (unsecured)	-	4,548,680	-	4,548,680
	85,887,737	145,444,331	85,887,737	145,444,331
Interest rate	11%	11%	11%	11%

(i) This facility is secured on the following:

Companies	Shares quantity
Banks DIH Ltd	1,575,313
Demerara Distillers Ltd	416,044
Sterling Products Ltd	117,432
Demerara Tobacco Ltd	175,500
Neal and Massy Ltd	1,000,000
SAPIL (Caribbean Containers Inc.)	85,100

First mortgage registered G$157,000,000 on property situated at Lot 63 Middle Street, North Cummingsburg Georgetown

34 Lease liability

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
Opening balance	116,203,392	127,003,200	144,505,279	182,004,980
Principal payment	(10,377,428)	(9,790,026)	1,857,951	(37,499,701)
Interest accreted	(1,070,369)	(1,009,782)	(13,305,748)	(14,450,527)
As at year end	104,755,595	116,203,392	133,057,482	144,505,279
Current	11,499,580	10,848,651	39,801,467	39,150,538
Non-current	93,256,015	105,354,741	93,256,015	105,354,741
	104,755,595	116,203,392	133,057,482	144,505,279

NOTES ON THE ACCOUNTS

34 Lease liability - cont'd

D' Edward
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $840,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Parika
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $1,500,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Essequibo
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $960,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Rosehall
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $660,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Bartica
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $180,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Bush Lot
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $320,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Mon Repos
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $2,400,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Soesdyke
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $525,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Diamond
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $1,260,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

Enmore
This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $150,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

NOTES ON THE ACCOUNTS

34 Lease liability - cont'd

Camp and Robb Street

This lease is for forty (40) years and was entered into on 1 July, 2020 and has an annual rental of $600,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 3 June, 2020.

Hand-In-Hand Trust Corp. Inc.

This lease is for five (5) years and was entered into on 1 January, 2019 and has an annual rental of $30,000,000 payable in advance. This rental is due for revision every year. All terms and conditions are included in the lease agreement dated 1 January, 2019.

35 Goodwill

In accordance with IFRS 3 - Business combinations, goodwill for impairment at 31 December, 2022 was calculated using the value in use method.

	Group	
	31.12.2023	31.12.2022
	G$	G$
Balance at beginning	255,672,892	157,582,464
Additions		98,090,428
	255,672,892	255,672,892
Goodwill at cost	259,713,468	259,713,468
Accumulated impairment/ amortisation	4,040,576	4,040,576
Balance at the end	255,672,892	255,672,892

Impairment testing of goodwill

Goodwill arising through business combination was generated by the acquisition of GNCB Trust Corporation Inc. now renamed Hand-in-Hand Trust Corporation Inc. on 20 November, 2002. On 20 September, 2022, Hand-in-Hand acquired 56.6% of Rupununi Development Company Ltd.

The following table highlights the goodwill and impairment information in the cash generating unit.

	Hand-in-Hand Trust Corporation Inc.
Carrying amount of goodwill (G$)	157,582,464
Basis of recoverable amount	Value in use
Discount rate	7%
Cash flow projection term	10 years
Growth rate (extrapolation period)	5%

	Rupununi Development Company Ltd.
Carrying amount of goodwill (G$)	98,090,428

The values assigned to key assumptions reflect past experience. The cash flow projections are based on budgets approved by senior management and the Board of Directors of the relevant company.

NOTES ON THE ACCOUNTS

36 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.

Listed below are transactions and balances with related parties.

(i) Subsidiary companies

	Company	
	31.12.2023	31.12.2022
	G$	G$
Management fees charged to:		
Hand-In-Hand Trust Corporation Inc.	6,000,000	6,000,000
GCIS Inc.	12,000,000	12,000,000
	18,000,000	18,000,000
Premiums paid by:		
Hand-In-Hand Trust Corporation Inc.	5,624,500	6,250,000
GCIS Inc.	19,085,271	21,385,367
	24,709,771	27,635,367
Commission paid to:		
GCIS Inc.	4,771,312	5,346,342
Interest on loan to The Rupununi Development Company Limited.	9,131,337	8,284,993
Loan granted to The Rupununi Development Company Limited.	123,273,046	111,847,409
Fixed deposits held with Hand-in-Hand Trust Corp. Inc.	97,545,949	96,009,792
Fixed deposits held with Hand-in-Hand Trust Corp. Inc. - Interest	1,938,308	1,889,956

NOTES ON THE ACCOUNTS

36 Related party transactions - Cont'd

(ii) Other disclosure

The Hand-in-Hand Mutual Fire Insurance Company Limited and Hand-in-Hand Mutual Life Assurance Company Limited have a common Board of Directors. During the year, staff and facilities of the TheHand-in-Hand Mutual Fire Insurance Company Limited were utilised by the Hand-in-Hand Mutual Life Assurance Company Limited.

	Company		Group	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	G$	G$	G$	G$
Fees charged	119,987,792	104,547,911	119,987,792	104,547,911
Interest on loan from the Hand in Hand Mutual Life Assurance Company Limited.	67,528,848	53,832,105	55,482,105	44,341,431
Interest on loan from GCIS Inc.	1,208,630	1,650,000	1,208,630	1,650,000
Loans granted by the Hand in Hand Mutual Life Assurance Company Limited.	1,338,326,350	1,045,334,461	1,338,326,350	1,045,334,461
(i) Compensation The Company and Group's key management personnel comprises of its Directors and Executive managers. The remuneration paid during the year were:				
(a) Short term employee benefit - Managers - 35 (2022-35)	117,819,965	95,386,208	223,510,469	192,789,929
(b) Long term employee benefit Managers - Benefits from the contribution of pension scheme are similar to the benefits of all employees.				
Directors' gratuity & medical benefit	13,258,260	46,380,907	13,258,260	46,380,907
Directors' emoluments - 10 (2022 - 11)	12,841,716	12,230,209	12,841,716	12,230,209
(ii) Loans and advances Staff - 78 (2022 - 78)	840,701,440	640,347,042	840,701,440	640,347,042
Rate of interest	6 - 8%	6 - 8%	6 - 8%	6 - 8%

(iii) The following are transactions of common interest with the Hand in Hand Trust Corporation.

Jamie & Ian Mc Donald	270,910,952	-
Rate of interest	7.50% p.a	-
Stark Inc	21,329,045	27,267,081
Rate of interest	8% p.a	8% p.a
Keith Evelyn Investments Inc.	54,020,668	59,269,836
Rate of interest	7.5% p.a	7.5% p.a

NOTES ON THE ACCOUNTS

37 (a) Segmented Information

Company

	2023					
	Fire	Motor	Accident and Liability	Marine	Corporate	Total
	G$	G$	G$	G$	G$	G$
Insurance revenue	647,667,612	587,208,309	166,841,753	8,869,162	-	1,410,586,836
Insurance service expenses	(389,872,271)	(531,413,831)	(119,080,845)	(6,860,300)	-	(1,047,227,247)
Net reinsurance expense for contracts held	(247,191,416)	(44,407,757)	(22,286,298)	-	-	(313,885,471)
Insurance service result	10,603,925	11,386,721	25,474,610	2,008,862	-	49,474,118
Other income	-	-	-	-	36,310,739	36,310,739
Net investment and insurance finance result	(2,539,517)	(325,808)	(761,827)	-	131,794,256	128,167,103
Other operating expense	-	-	-	-	(388,946,757)	(388,946,757)
Triennial cash profit and others	-	-	-	-	(1,683,110)	(1,683,110)
Property tax	-	-	-	-	(24,703,275)	(24,703,275)
Taxation	-	-	-	-	68,107,234	68,107,234
Surplus/(deficit) of revenue over expenses	8,064,408	11,060,913	24,712,783	2,008,862	(179,120,913)	(133,273,948)
Segment assets	1,823,131,446	901,396,704	468,559,861	24,287,312	4,897,804,081	8,115,179,404
Segment liabilities	494,293,723	516,258,176	165,033,139	7,161,716	2,653,592,277	3,836,339,031

	2022 - Restated					
	Fire	Motor	Accident and Liability	Marine	Corporate	Total
	G$	G$	G$	G$	G$	G$
Insurance revenue	640,142,063	486,660,434	153,482,012	13,257,390	-	1,293,541,899
Insurance service expenses	(432,577,544)	(406,989,342)	(66,784,964)	(7,098,944)	-	(913,450,794)
Net reinsurance expense for contracts held	(189,918,615)	(35,036,899)	(23,330,354)	(2,032,596)	-	(250,318,464)
Insurance service result	17,645,904	44,634,193	63,366,694	4,125,850		129,772,641
Other income	-	-	-	-	33,050,016	33,050,016
Net investment and insurance finance result	(1,122,279)	(821,381)	(1,038,687)	-	620,787,827	617,805,479
Other operating expense	-	-	-	-	(314,629,469)	(314,629,469)
Triennial cash profit and others	-	-	-	-	(1,752,500)	(1,752,500)
Property tax	-	-	-	-	(24,028,390)	(24,028,390)
Taxation	-	-	-	-	17,459,167	17,459,167
Surplus of revenue over expenses	16,523,625	43,812,812	62,328,007	4,125,850	330,886,651	457,676,944
Segment assets	1,518,395,751	2,112,903,283	477,322,132	53,873,240	3,227,081,636	7,389,576,042
Segment liabilities	535,592,056	399,012,575	158,466,337	6,379,216	1,940,947,756	3,040,397,940

NOTES ON THE ACCOUNTS

37 (b) Segmented information

Group	2023								
	Fire	Marine	Accident and Liabilities	Motor	Corporate/Taxation	Hand-in-Hand Investments Inc.	Rupununi	Hand-in-Hand Trust	Total
	G$	G$	G$	G$	G$	G$	G$	G$	G$
Insurance revenue	680,824,873	587,208,309	166,841,753	141,700,958	-	-	-	-	1,576,575,893
Insurance service expenses	(408,690,411)	(531,413,831)	(119,080,844)	(95,455,748)	-	-	-	-	(1,154,640,835)
Net reinsurance expense for contracts held	(242,813,535)	(44,407,757)	(22,286,297)	(5,445,025)	-	-	-	-	(314,952,615)
Insurance service result	29,320,927	11,386,721	25,474,611	40,800,185	-	-	-	-	106,982,443
Other income	-	-	-	-	23,110,739	-	22,790,268	154,227,409	200,128,416
Net investment and insurance finance result	12,085,651	(325,808)	(761,827)	-	120,664,244		198,807	938,715,446	1,070,576,512
Other operating & interest expense	-	-	-	-	(423,875,929)	-	(31,520,866)	(799,365,162)	(1,254,761,957)
Triennial cash profit and others	-	-	-	-	(1,683,110)	-	-	-	(1,683,110)
Property tax	-	-	-	-	(28,156,205)	-	-	(19,957,643)	(48,113,848)
Taxation	-	-	-	-	67,743,013	-	(9,918)	(14,555,968)	53,177,127
Surplus/(deficit) of revenue over expense	41,406,577	11,060,913	24,712,784	40,800,185	(242,197,248)	-	(8,541,709)	259,064,082	126,305,585
ASSETS	1,947,417,374	50,953,068	460,373,068	3,242,785,577	3,153,682,807	769,900	86,001,749	12,938,057,481	21,880,041,024
LIABILITIES	577,878,343	7,276,994	166,077,847	804,080,721	2,530,319,232	657,290	126,807,487	10,216,881,892	14,429,979,806

NOTES ON THE ACCOUNTS

37 (b) Segmented information

Group	2022 - Restated								
	Fire	Motor	Accident and Labilities	Marine	Corporate/Taxation	Hand-in-Hand Investments Inc.	Rupununi Development Co.	Trust	Total
	G$	G$	G$	G$	G$	G$		G$	G$
Insurance revenue	661,248,726	620,672,259	153,482,012	13,257,390	-	-	-	-	1,448,660,387
Insurance service expenses	(444,947,627)	(494,258,898)	(66,784,963)	(7,098,944)	-	-	-	-	(1,013,090,432)
Net reinsurance expense for contracts held	(185,527,460)	(44,228,151)	(23,330,354)	(2,032,597)	-	-	-	-	(255,118,562)
Insurance service result	30,773,639	82,185,210	63,366,695	4,125,849	-	-	-	-	180,451,393
Other income	-	-	-	-	17,960,060	-	9,048,350	139,540,513	166,548,923
Net investment and insurance finance result	12,693,763	(821,381)	(1,038,687)	-	756,180,950	-	23,035	876,752,721	1,643,790,401
Other operating expense					(328,919,587)		(19,538,749)	(800,742,452)	(1,149,200,788)
Triennial cash profit and others	-	-	-	-	(1,752,500)	-	-	-	(1,752,500)
Property tax	-	-	-	-	(45,228,763)	-	-	-	(45,228,763)
Taxation	-	-	-	-	(3,702,035)	-	-	-	(3,702,035)
Surplus of revenue over expense	43,467,402	81,363,829	62,328,008	4,125,849	394,538,125	-	(10,467,364)	215,550,782	790,906,631
ASSETS	1,577,321,299	2,725,839,475	370,850,342	42,216,415	3,171,292,147	730,000	78,095,412	11,588,708,235	19,555,053,325
LIABILITIES	604,594,918	608,178,647	159,578,033	6,500,928	1,940,947,756	39,900	3,373,143	9,144,094,013	12,467,307,338

NOTES ON THE ACCOUNTS

38 Financial risk management

Financial risk management objectives

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

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

Investment risk management is undertaken at the individual investment level and the degree of monitoring of each investment is determined as a result of the outcome of an evaluation of the level of risk involved. An appropriate risk response strategy is implemented immediately for investments that show signs of credit deterioration. Any impairment to a financial asset resulting from an investor's inability to meet its debt service obligations or a company not performing financially in accordance with expectations, is treated in accordance with International Financial Reporting Standards.

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

(a) Market risk

The Company and Group's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company and Group uses gap analysis, interest rate sensitivity and exposure limits to financial instruments to manage its exposure to interest rate and foreign currency risk. There has been no change in the Company and Group's exposure to market risk or the manner in which it manages these risks.

(i) Price risk

Price 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 of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimise the risk.

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

38 Financial risk management - cont'd

(a) Market risk - cont'd

(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. Long-term debt instruments held are at fixed rates exposing the Company and Group to fair value interest rate risk. The Company and Group are exposed to interest rate risk through its debt instruments held and in discounting of insurance contract balances. The Company and Group's exposures to interest rate risk on financial assets and financial liabilities are listed below:

	Interest rate %	Maturing 2023 Within 1 year	1 to 5 years	Over 5 years	Total
Company		G$	G$	G$	G$
Assets					
Investments: Loans and advances	4.00-18.50	-	8,260,807	-	8,260,807
Reinsurance contract assets - AIC	4.79 - 5.68	93,564,989	19,163,913	-	112,728,902
Other receivables	6.00	-	948,714,355	-	948,714,355
Interest accrued	1.0 - 3.0	8,917,018	-	-	8,917,018
Cash on deposits	0.21-11.07	396,047,471	-	-	396,047,471
		498,529,478	976,139,075	-	1,474,668,553
Liabilities					
Insurance contract liabilities - LIC	4.79 - 5.68	324,366,959	111,024,932	-	435,391,891
Medium term borrowings	6.00	-	1,229,375,038	-	1,229,375,038
Lease liability	6.00	11,499,580	15,449,102	77,806,913	104,755,595
Short term borrowings	6.00	108,951,312	-	-	108,951,312
Bank overdraft	11.00	85,887,737	-	-	85,887,737
		530,705,588	1,355,849,072	77,806,913	1,964,361,573
Interest sensitivity gap		(32,176,110)	(379,709,997)	(77,806,913)	

	Average rate %	Maturing 2022 - Restated Within 1 year	1 to 5 0	Over 5 years	Total
Company		G$	G$	G$	G$
Assets					
Investments: Loans and advances	4.00-18.50	-	5,151,012	-	5,151,012
Reinsurance contract assets - AIC	4.54 - 5.53	84,152,485	17,236,051	-	101,388,536
Other receivables	6.00	-	643,830,472	-	643,830,472
Interest accrued	1.0 - 3.0	15,498,881	-	-	15,498,881
Cash on deposits	0.21-11.07	347,308,799	-	-	347,308,799
		446,960,165	666,217,535	-	1,113,177,700
Liabilities					
Insurance contract liabilities - LIC	4.54 - 5.53	274,686,526	107,486,032	15,923,857	398,096,415
Medium term borrowings	6.00	-	926,478,484	-	926,478,484
Lease liability	6.00	10,848,651	15,449,102	89,905,639	116,203,392
Short term borrowings	6.00	118,855,977	-	-	118,855,977
Bank overdraft	11.00	145,444,331	-	-	145,444,331
		549,835,485	1,049,413,618	105,829,496	1,705,078,599
Interest sensitivity gap		(102,875,321)	(383,196,083)	(105,829,496)	

NOTES ON THE ACCOUNTS

38 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

	Interest rate %	Maturing 2023 Within 1 year G$	1 to 5 years G$	Over 5 years G$	Total G$
Group					
Assets					
Investment Securities	4.36	504,716,891	301,161,191	298,707,500	1,104,585,582
Investments: Loans and advances	4.00-18.50	2,341,152,248	2,076,427,380	4,503,915,102	8,921,494,730
Reinsurance contract assets - AIC	4.79 - 5.68	94,070,375	19,267,425	-	113,337,800
Other receivables	6.00	170,707,103	948,714,355	-	1,119,421,458
Interest accrued	1.0 - 3.0	16,826,678	-	-	16,826,678
Cash on deposits	0.21-11.07	854,115,274	-	-	854,115,274
		3,981,588,569	3,345,570,351	4,802,622,602	12,129,781,522
Liabilities					
Insurance contract liabilities - LIC	4.79 - 5.68	335,651,754	114,786,530	-	450,438,284
Medium term borrowings	6.00	-	1,229,375,038	-	1,229,375,038
Lease liability	6.00	39,801,467	15,449,102	77,806,913	133,057,482
Short term borrowings	6.00	108,951,312	-	-	108,951,312
Bank overdraft	11.00	85,887,737	-	-	85,887,737
Customers' Deposit	1.51	9,307,774,107	620,276,537	-	9,928,050,644
		9,878,066,377	1,979,887,207	77,806,913	11,935,760,497
Interest sensitivity gap		(5,896,477,808)	1,365,683,144	4,724,815,689	

	Interest rate %	Maturing 2022 - Restated Within 1 year G$	1 to 5 years G$	Over 5 years G$	Total G$
Group					
Assets					
Investments securities	4.00-18.50	646,455,175	1,716,207	279,853,916	928,025,298
Investments: Loans and advances	4.00-18.50	2,341,152,248	2,073,317,585	4,503,915,102	8,918,384,935
Reinsurance contract assets - AIC	4.54 - 5.53	84,416,636	17,290,154	-	101,706,790
Other receivables	6.00	134,620,771	643,830,472	-	778,451,243
Interest accrued	1.0 - 3.0	32,165,503	-	-	32,165,503
Cash on deposits	0.21-11.07	718,760,230	-	-	718,760,230
		3,957,570,563	2,736,154,418	4,783,769,018	11,477,493,999
Liabilities					
Insurance contract liabilities - LIC	4.54 - 5.53	274,686,526	107,486,032	15,923,857	398,096,415
Medium term borrowings	6.00	-	926,478,484	-	926,478,484
Lease liability	6.00	39,150,538	15,449,102	89,905,639	144,505,279
Short term borrowings	6.00	118,855,977	-	-	118,855,977
Bank overdraft		145,444,331	-	-	145,444,331
		303,450,846	941,927,586	89,905,639	1,335,284,071
Interest sensitivity gap		3,654,119,717	1,794,226,832	4,693,863,379	

38 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest sensivity analysis

The sensivity analysis includes only outstanding balances subject to interest rate risk at the end of the reporting period. A 50 basis points increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

A positive number indicates an increase in profits where the interest rate appreciated by 50 basis points. For a decrease of 50 basis points in the interest rate, this would have an equal and opposite impact on profit and the balance below would be negative. If interest rate had been 50 basis points higher/lower and all other variables were held constant, the impact on the company's profit would have been:

	Increase/decrease in basis points	Impact on profit for the year			
		Company		Group	
		2023	2022	2023	2022
		G$000	G$000	G$000	G$000
Interest bearing investments					
Local currency	+/-50	194	155	4,485	4,029
Foreign currency	+/-50	-	-	-	-
Overdrafts					
Local currency	+/-50	429	727	429	727

NOTES ON THE ACCOUNTS

38 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Foreign currency risk

The Company and Group is exposed to foreign currency risk due to fluctuations in exchange rates on investments and foreign bank balances.The currencies which the Company and Group are mainly exposed to are United States dollar and Canadian dollar.

The equivalent Guyana dollar value of assets are shown below:-

Company

	2023		
	USD	CAD	GYD equivalent
Assets	1,488,555	1,079,031	466,823

	2022 - Restated		
	USD	CAD	GYD equivalent
Assets	1,232,258	881,086	384,683

Group

	2023		
	USD	CAD	GYD equivalent
Assets	9,133,135	1,079,031	2,095,019,395

	2022 - Restated		
	USD	CAD	GYD equivalent
Assets	9,188,785	881,086	2,079,339,839

NOTES ON THE ACCOUNTS

38 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Foreign currency risk

Foreign currency sensitivity analysis:

The following table details the company's and group's sensitivity to a 3% increase or decrease in the Guyana dollar against the relevant currencies. Although a rate is not formally adopted and used as a measure, 3% gives prudent possibility of a change in rate.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. A positive number below indicates an increase in reserves if the currency were strenghtened 3% against the Guyana dollar. If the currencies were weakened 3% against the Guyana dollar, there would be an equal and opposite impact on the Statement of Profit or Loss and Other Comprehensive Income and the balances would be negative.

	Company		Group	
	2023		2023	
	USD G$M impact	CAD G$M impact	USD G$M impact	CAD G$M impact
Profit/(loss)	9.3	4.7	58.2	4.7

	Company		Group	
	2022 - Restated		2022 - Restated	
	USD G$M impact	CAD G$M impact	USD G$M impact	CAD G$M impact
Profit/(loss)	7.7	3.8	60.5	3.6

NOTES ON THE ACCOUNTS

38 Financial Risk Management - cont'd

(b) Liquidity risk

Liquidity risk is the risk that the Company and Group will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The tables below show the estimated maturies of financial liabilities and other commitments based on their contractual maturities. Other liabilities are presented based on expectations of the timing of future cash flows and/or the duration of the contract.

Company	Maturing 2023				
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Total
	G$	G$	G$	G$	G$
Liabilities					
Liabilities for incurred claims excluding risk adjustment	-	71,306,468	213,919,405	90,071,328	375,297,202
Medium term borrowings	-	-	-	1,229,375,038	1,229,375,038
Lease liability	-	-	-	104,755,595	104,755,595
Short term borrowings	-	-	108,951,312	-	108,951,312
Payables and accrued expenses	38,875,694	7,488,927	21,459,384	150,000,000	217,824,004
Taxes payable	84,672,856	-	-	-	84,672,856
Bank overdraft	85,887,737	-	-	-	85,887,737
	209,436,287	78,795,395	344,330,101	1,574,201,961	2,206,763,744

Company	Maturing 2022 - Restated				
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Total
	G$	G$	G$	G$	G$
Liabilities					
Liabilities for incurred claims excluding risk adjustment		68,247,880	204,743,639	72,567,366	345,558,885
Medium term borrowings	-	-	-	926,478,484	926,478,484
Lease liability	-	-	-	116,203,392	116,203,392
Short term borrowings	-	-	118,855,977	-	118,855,977
Payables and accrued expenses	25,209,362	3,272,354	-	71,380,907	99,862,623
Taxes payable	83,997,972	-	-	-	83,997,972
Bank overdraft	145,444,331	-	-	-	145,444,331
	254,651,665	71,520,234	323,599,616	1,186,630,149	1,836,401,664

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

38 Financial Risk Management - cont'd

(b) Liquidity risk - cont'd

Group	Maturing 2023				
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Total
	G$	G$	G$	G$	G$
Liabilities					
Customers deposit - Savings	2,686,709,535	-	-		2,686,709,535
Customers deposit - Fixed deposits	-	1,250,605,808	5,370,458,944	620,276,357	7,241,341,109
Medium term borrowings	-	-	-	1,229,375,038	1,229,375,038
Liabilities for incurred claims excluding risk adjustment	-	71,306,468	231,308,850	94,334,707	396,950,026
Lease liability	-	-	-	133,057,482	133,057,482
Short term borrowings	-	-	108,951,312		108,951,312
Payables and accrued expenses	39,996,294	14,340,274	267,886,096	159,583,973	481,806,636
Taxes Payable	110,914,926	-	-	-	110,914,926
Bank overdraft	85,887,737	-	-	-	85,887,737
	2,923,508,492	1,336,252,550	5,978,605,202	2,236,627,557	12,474,993,801

Group	Maturing 2022 - Restated				
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Total
	G$	G$	G$	G$	G$
Liabilities					
Customers deposit - Savings	1,941,317,590	-	-	-	1,941,317,590
Customers deposit - Fixed deposits	-	990,362,666	5,257,952,790	587,898,242	6,836,213,698
Medium term borrowings	-	-	-	926,478,484	926,478,484
Liabilities for incurred claims excluding risk adjustment	-	68,247,880	214,586,684	75,888,297	358,722,861
Lease liability	-	-	-	144,505,279	144,505,279
Short term borrowings	-	-		-	-
Payables and accrued expenses	17,866,585	10,016,331	232,866,496	84,202,106	344,951,518
Taxes Payable	103,927,697	-	-	-	103,927,697
Bank overdraft	145,444,331	-	-	-	145,444,331
	2,208,556,203	1,068,626,877	5,705,405,970	1,818,972,408	10,801,561,458

NOTES ON THE ACCOUNTS

38 Financial Risk Management - cont'd

(c) Credit risk

Credit risk refers to the risk of financial loss from the failure of a debtor/counterparty to meet its payment obligations to the company and group. The table below shows the maximum exposure to credit risk:

	Company		Group	
	2023	2022	2023	2022
	G$	G$	G$	G$
		Restated		Restated
Investments: Loans and advances	12,245,061	9,122,912	8,993,803,296	7,923,475,425
Reinsurance contract assets	69,786,619	69,884,392	82,099,641	80,075,703
Other receivables	1,262,242,759	952,216,075	1,386,806,716	978,311,716
Interest accrued	8,917,018	15,498,881	16,826,678	32,165,503
Cash on deposit	396,047,471	347,308,799	854,115,274	718,760,230
Cash at banks	143,873,828	167,441,096	357,418,363	397,340,225
	1,893,112,756	1,561,472,155	11,691,069,968	10,130,128,802

The Company and Group faces credit risk in respect of its cash and cash equivalents, investments at amortised cost and receivables. However, this risk is controlled by close monitoring of these assets by the Company and Group. The maximum credit risk faced by the Company and Group are the balances reflected in the financial statements.

Credit risk on debt securities are monitored against external ratings provided by reputable independent rating agencies.

Credit risk can arise on reinsurance ceded contract asset balances due to the non-performance of the reinsurer, as ceding does not relieve the primary insurer of its responsibility to the policyholders. Reinsurers are typically required to have a minimum financial strength rating of A- at the inception of the treaty; rating agencies used are A.M. Best and Standard & Poor's ("S&P"). There were no material defaults on transactions with reinsurers. The resulting allowance for ECL is immaterial.

Other receivables primarily consists of cash deposits due from a related party and premiums due from a number of customers and brokers. Ongoing credit evaluation is performed on the financial condition of these receivables on a regular basis.

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.

NOTES ON THE ACCOUNTS

38 Financial Risk Management - cont'd

(c) Credit risk - cont'd

Effective 1 January 2023 the Company applies the IFRS 9 simplified approach to measuring expected credit loss (ECL) which uses a lifetime expected loss allowance for all other receivables. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due and historical loss rates adjusted for current estimates of forward-looking macroeconomic factors are applied. Up to 31 December 2022 the company applied an provision against non-performing receivables based on objective evidence of impairment.

Company	**2023** G$	**2022** G$
(i) Other receivables excluding prepayments:		
Performing (0 - 30 days)	1,155,669,739	708,436,772
Underperforming (31 to 90 days)	61,309,628	13,313,214
Non-performing (90 to 180 days)	7,223,074	6,621,152
Doubtful (Over 180 days)	38,040,318	223,844,936
Other receivables - gross carrying amount	1,262,242,759	952,216,075
Less allowance for ECL / impairment provision	(37,722,525)	(27,297,267)
Other receivables - net carrying amount	1,224,520,234	924,918,808

The movement in the allowance for ECL on receivables is as follows:

Opening allowance	(27,297,267)	(17,410,638)
Net movement recognised in profit or loss	(12,627,765)	(11,739,482)
Recoveries	2,202,507	1,852,853
Closing allowance	(37,722,525)	(27,297,267)

(ii) Cash Deposits and Loans and advances

The Company has applied has assigned a low credit risk to its cash deposits and loans and advances based on its internal credit risk ratings, which aligns with regulatory guidelines on credit risk provisioning, and incorporation of forward-looking macroeconmic data.

	2023 G$
Cash Deposits and Loans and advances - gross carrying amount	405,170,383
Less allowance for ECL	(3,984,254)
Loans and advances - net carrying amount	401,186,129

The movement in the allowance for ECL on loans and advances is as follows:

Stage 1	
Opening allowance	(3,971,900)
Net movement recognised in profit or loss	(12,354)
Closing allowance	(3,984,254)

38 Financial Risk Management - cont'd

(c) Credit risk - cont'd

The following table presents past due but not impaired and impaired other receivables, cash deposits and loans and advances as at December 31, 2022 under IAS 39.

Company	**2022** **G$**
Pass	1,074,917,673
Special Mention (Past due 30 - 89 days)	18,393,763
Sub-Standard (Past due 90 - 179 days)	3,721,052
Doubtful (Past due over - 180 days but less than 1 year)	3,487,052
Loss	(16,541,661)
	1,083,977,879

An impairment provision of $27,297,267 was applied against non-performing balances

Group

(i) Debt securities

The Company has applied has assigned a low credit risk to its debt securities based on its external investment grade credit risk ratings and incorporation of forward-looking macroeconmic data.

	2023 **G$**	**2022** **G$**
Debt Securities - gross carrying amount	1,104,585,581	928,025,297
Less allowance for ECL	(40,048,131)	(40,048,131)
Debt Securities - net carrying amount	1,064,537,450	887,977,166
The movement in the allowance for ECL on Debt Securitiesis as follows:		
Stage 1		
Opening allowance	40,048,131	40,048,131
Net movement recognised in profit or loss	-	-
Closing allowance	40,048,131	40,048,131

(ii) Loans and advances

The Company has applied has assigned a low credit risk to its loans and advances based on its internal credit risk ratings, which aligns with regulatory guidelines on credit risk provisioning, and incorporation of forward-looking macroeconmic data.

	2023 **G$**	**2022** **G$**
Loans and advances - gross carrying amount	8,993,803,296	7,923,475,425
Less allowance for ECL	(72,308,566)	(90,587,239)
Loans and advances - net carrying amount	8,921,494,730	7,832,888,186

NOTES ON THE ACCOUNTS

38 Financial Risk Management - cont'd

(c) Credit risk - cont'd

Group	**2023** G$	**2022** G$
(ii) Loans and advances		
The movement in the allowance for ECL on loans and advances is as follows:		
Stage 1		
Opening allowance	90,587,239	86,043,967
Net movement recognised in profit or loss	(18,281,673)	4,543,272
Closing allowance	72,305,566	90,587,239
(iii) Other receivables - gross carrying amount		
Performing (0 - 30 days)	1,306,279,509	753,825,001
Underperforming (31 to 90 days)	61,309,628	13,313,214
Non-performing (over 90 days)	7,223,074	6,621,152
Doubtful	38,040,318	223,844,936
Other receivables - gross carrying amount	1,412,852,529	997,604,304
Less allowance for ECL / impairment provision	(53,379,659)	(31,610,578)
Other receivables - net carrying amount	1,359,472,870	965,993,726
The movement in the allowance for ECL on receivables is as follows:		
Opening allowance	(31,610,578)	-
Net movement recognised in profit or loss	(21,769,081)	(31,610,578)
Closing allowance	(53,379,659)	(31,610,578)

39 Insurance risk

The principal risks that the Company and GCIS Inc. (its subsidiary) face under its insurance contracts are that actual claims are greater than estimated, actual claims are not adequately mitigated by re-insurance, 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 policies

The Company and GCIS Inc. mitigate its risks by engaging in both facultative placements 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 renewal basis. The Company also engages in redlining where it reserves the right to offer no coverage in specific geographic areas.

The Company and GCIS Inc. 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 and GCIS Inc. 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 and GCIS Inc. promises to settle claims as soon as possible, all consideration given to proper investigations to establish that the insured event and losses have occurred.

Concentration of insurance risks

Insurance Risks are spread in a number of geographical areas. However, the majority of the Company and GCIS Inc.'s risks are in Georgetown and its environs. A significant portion of total risk is distributed among properties on Regent and Water Streets in Georgetown.

Estimates of future cash flows to fulfil insurance contracts issued

The Company and GCIS Inc. measures the carrying amount of the LIC and the AIC at the end of each reporting period, being estimates of the future cash flows to settle all net liability for incurred claims. These future cash flows include:

- unbiased probability-weighted best estimates of future cash flows within the contract boundary;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

NOTES ON THE ACCOUNTS

39 Insurance risk - cont'd

Probability-weighted best estimate of future cash flows

In estimating future cash flows, the Company and GCIS Inc. incorporates, in an unbiased way, all reasonable and supportable information that is available at the reporting date, including internal and external information about past events, current conditions and forecasts of future conditions. These estimates of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes.

Cash flows within the boundary of an insurance contract relate directly to the fulfilment of the contract, including those for which the Company and GCIS Inc. have discretion over the amount and timing. These include payments to or on behalf of policyholders and other costs incurred in fulfilling contracts. Other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

The Company and GCIS Inc. estimates the ultimate costs of settling claims incurred but unpaid at the reporting date, and the value of salvage and other expected recoveries, by reviewing individual claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques. The assumptions used, including loss ratios and future claims inflation, are derived from a combination of historical information and judgement where past trends may not apply in the future and future trends are expected to emerge.

Risk Adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. It reflects an amount the Company would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. Under the PAA, the risk adjustment for non-financial risk is limited to the LIC and the AIC, except when an onerous contract exists.

The determination of an appropriate risk adjustment requires judgement. The Company utilizes a hybrid approach for determining the risk adjustment and applies a cost of capital method net of reinsurance held at the Company level to inform the selection of risk adjustment margins. The ultimate risk adjustment margins may reflect additional compensation required by the Company in addition to what the cost of capital method indicates. The risk adjustment margins are then applied to their relevant reserves to derive the risk adjustment. The cost of capital method selected reflects the benefit of diversification across the Company and the approach applied by the Company results in a corresponding confidence level for the risk adjustment at the 80th percentile (2022 – 80th percentile).

NOTES ON THE ACCOUNTS

39 Insurance risk - cont'd

Discount rates

The Company and GCIS Inc. discounts LIC and AIC expected to settle beyond twelve months at current interest rates on initial recognition. The discount rates are derived from a bottom-up approach which uses a risk-free rate, plus an illiquidity premium where applicable. Risk-free rates are derived from highly liquid sovereign bonds with the highest (AAA/AA) credit ratings.

Management uses judgement to assess liquidity characteristics of the liability cash flows. The illiquidity premium is estimated based on market-observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows. The illiquidity premium is determined by reference to market-observable AA-rated bonds' yield curve converted to the currency of the insurance contract being measured, adjusted to remove credit risk.

The following USD discount rates were applied for the periods presented below:

	2023	2022
1 Year	5.68%	5.53%
2 - 3 Year	4.94%	4.92%
5 Year	4.79%	4.54%

Sensitivity analysis

The Company and GCIS Inc's profitability is sensitive to the flow of monies (1) inwards from policyholders; and (2) outwards to policyholders. If policyholders are unable to pay their premiums, the inflow of cash will be constrained. If claims are above anticipated averages, there will be a strain on the company's finances and it would have to seek alternative financing solutions. Its cash flow would therefore be affected negatively.

Under the PAA only the LIC component of insurance contract liabilities and the AIC component of reinsurance contract assets is sensitive to possible changes in insurance risk and interest rate risk variables. The estimated sensitivity to changes in interest rates on net insurance contract liabilities is disclosed within note 38 (a)(iv). The following table presents information on how reasonably possible changes in best estimate assumptions impact the valuation of the net insurance contract liabilities and shareholders' equity.

39 Insurance risk - cont'd

Sensitivity analysis - cont'd

Company

	2023		2022	
	Impact on equity gross of reinsurance **G$'000**	Impact on equity net of reinsurance **G$'000**	Impact on equity gross of reinsurance **G$'000**	Impact on equity net of reinsurance **G$'000**
Unpaid claims and expense - 5% increase	11,155	10,400	8,512	7,511

Group

	2023		2022	
	Impact on equity gross of reinsurance **G$'000**	Impact on equity net of reinsurance **G$'000**	Impact on equity gross of reinsurance **G$'000**	Impact on equity net of reinsurance **G$'000**
Unpaid claims and expense - 5% increase	12,487	11,732	9,555	8,554

NOTES ON THE ACCOUNTS

40 APUA Investments

The Trustees of the APUA Bonds, the Government of Antigua were ordered by the court to make monthly payments until the Bond is fully repaid, however, this has not been consistent. The Trustee has therefore advised that payments would be distributed to the Bondholders as they are collected.

The Trust have an outstanding balance US$45,256.59 to be collected from Trustees, RBC Trust.

41 Insurance act 2016

The company is committed to full compliance with the Insurance Act 2016 and it's regulations, particularly those related to Corporate Governance and Statutory Funds. As of December 31, 2023, certain aspects of these requirements are still being addressed

Pending litigations

42 As at 31 December 2023, there are several legal matters outstanding against the Group, the outcome of which cannot be determined at this stage.

NOTES ON THE ACCOUNTS

43 Development claims tables

Claims development

Claims are provided for and kept as a liability until they are settled or have expired. At the time of loss, a provision is made based on best estimates. There is some amount of uncertainty surrounding the timing of payments and the exact amount to be paid for most claims. The table below (shown in thousands of Guyana dollars) depicts how the estimates of cumulative claims, net of reinsurance, have developed over time as at December 31, 2023:

Company

	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate claims costs (net of reinsurance & undiscounted):								
At end of accident year	313,557	297,171	314,854	195,958	249,971	486,778	144,260	2,002,549
One year later	294,288	248,884	316,753	210,990	230,720	501,521	-	1,803,156
Two years later	322,093	270,630	318,929	199,928	234,216	-	-	1,345,796
Three years later	296,973	259,990	306,159	199,928	-	-	-	1,063,050
Four years later	312,877	241,918	306,159	-	-	-	-	860,954
Five years later	314,324	241,918	-	-	-	-	-	556,242
Six years later	314,324	-	-	-	-	-	-	314,324
Seven years later								
Current estimate of net cumulative claims	314,324	241,918	306,159	199,928	234,216	501,521	144,260	1,942,326
Less Cumulative payments to date	(290,602)	(235,448)	(284,444)	(179,929)	(214,462)	(415,322)	-	(1,620,207)
Net estimate of claims costs - undiscounted	23,722	6,470	21,715	19,999	19,754	86,199	144,260	322,119
Liability with respect to prior accident years - undiscounted								29,978
Effect of discounting and risk adjustment								(29,435)
Net liabilities for incurred claims								322,663

31 December 2023	Present value of future cash flows G$'000	Risk adjustment for non-financial risk G$'000	Total G$'000
Gross liabilities for incurred claims	375,297	60,095	435,392
Amounts recoverable from reinsurers	106,939	5,790	112,729
Net liabilities for incurred claims	268,359	54,304	322,663

43 Development claims tables - cont'd

Group

	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate claims costs (net of reinsurance & undiscounted):								
At end of accident year	402,590	359,047	388,597	233,354	269,132	517,627	181,703	2,352,050
One year later	380,182	311,889	390,548	248,280	267,913	531,430	-	2,130,242
Two years later	411,539	330,258	392,439	234,372	250,592	-	-	1,619,200
Three years later	380,326	317,069	378,021	234,372	-	-	-	1,309,788
Four years later	393,950	298,997	378,331	-	-	-	-	1,071,278
Five years later	395,297	298,997	-	-	-	-	-	694,294
Six years later	395,297	-	-	-	-	-	-	395,297
Seven years later								
Current estimate of net cumulative claims	395,297	298,997	378,331	234,372	250,592	531,430	181,703	2,270,722
Less Cumulative payments to date	(371,575)	(292,527)	(356,616)	(214,123)	(228,137)	(440,073)	(23,997)	(1,927,048)
Net estimate of claims costs - undiscounted	23,722	6,470	21,715	20,249	22,455	91,357	157,706	343,674
Liability with respect to prior accident years - undiscounted								32,681
Effect of discounting and risk adjustment								(30,490)
Net liabilities for incurred claims								345,865

	Present value of future cash flows	Risk adjustment for non-financial risk	Total
31 December 2023	G$'000	G$'000	G$'000
Gross liabilities for incurred claims	396,422	62,781	459,203
Amounts recoverable from reinsurers	107,532	5,806	113,338
Net liabilities for incurred claims	288,891	56,974	345,865

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

NOTES ON THE ACCOUNTS

		No. of Cows	2023 G$	2022 G$
44	**Biological Assets- Fair Value**			
	Balance - January 1	2,301	50,448,339	47,941,988
	Changes in Fair Value	41	5,291,261	2506351
	Balance - December 31	2,342	55,739,600	50,448,339
	Births	326	978,000	5,505,360
	Gift	-	-	1,695,000
	Sales	(254)	(3,461,003)	(6,220,363)
	Donation	(1)	(23,800)	(599,810)
	Not Brought to the coral	-	-	578,390
	Deaths/ Slaughtered	(30)	(714,000)	(1,263,889)

On the 20th September 2022, the group attained 56.6% majority shareholdings in The Rupununi Development Company Limited.

Assets		
Tangible Fixed Assets		5,630,526
Investments		11,128,939
		16,759,465
Current Assets		
The Revenue Authority	192,750	
Biological Assets	49,636,988	
Inventories	100,240	
Receivables	6,395,380	
Cash and Bank	3,448,165	
	59,773,523	
Current Liabilities		
Related party	99,527,729	
Payables	1,163,298	
Taxation	2,495,011	
	103,186,038	
		(43,412,515)
		(26,653,050)
Minority interest		(11,562,622)
		(15,090,428)
Goodwill		(98,090,428)
Total purchase consideration		83,000,000
Purchase consideration paid in prior year		51,326,000
Purchase consideration paid in current year		31,674,000
Cash and cash equivalent acquired		3,448,165
		28,225,835
Adjustment for related party on acquisition		99,527,729
Net cash outflow		127,753,564

45 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 6 December 2024

THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED AND SUBSIDIARIES

GLOSSARY

MUTUAL FIRE INSURANCE COMPANY

The Hand-in-Hand Mutual Fire Insurance Company Limited operates for the benefit of its profit policyholders and their beneficiaries and has no stockholders. All profit policyholders are entitled to share in the profits of the Company. Every person who holds a profit sharing policy is a member of the Company.

TRIENNIAL CASH PROFIT

This is that portion of the "profits of the Company" which is returnable to members in cash at the end of a triennial period in respect of and in proportion to their premium contributions pursuant to the By-laws of the Company.

STATEMENT OF COMPREHENSIVE INCOME

This account shows the result of the business operations for the financial period. Revenue represents income from all sources whatsoever and includes premiums for all types of business - profit and non-profit, fire, accident, motor and marine; while investment income is interest and dividends earned from the Company's investments.

Expenditure includes Management Expenses, Claims net of reinsurance recoveries, Triennial Cash Profit (TCP) paid in current period and provided for in the previous year's accounts and Taxation.

Taxation for the Mutual Company is based on a special formula which caters for Reserves for Unexpired Risks; TCP provided for in the previous year and paid in the current period, Claims and Management Expenses.

PROFIT AND LOSS (ANNUAL) ACCOUNT

This account as its name indicates is prepared annually. Premiums as shown in this account represent those that were earned on both profit and non-profit policies. Figures for the other income are the same as those for the comprehensive income except "unclaimed triennial cash profit and others". Deductions for this account under the various heads are for Fire and Accident businesses. The balance of this account is transferred to the several triennial period premium accounts in proportion to the amount of premiums in the accounts.

PROFIT AND LOSS (TRIENNIAL) ACCOUNT

At the beginning of each financial period, a separate Triennial Premium Account is opened. Premiums received in respect of profits sharing policies issued or renewed during that period and not accounted for in any current triennial account are credited during the next three years. This account shows transaction for the triennium ended 31 December, 2023.

CONSOLIDATION

The Consolidated Financial Statements incorporate the Financial Statements of GCIS Incorporated, Hand-in-Hand Trust Corporation Inc., Hand-in-Hand Investments Inc. and Rupununi Development Company Ltd in which The Hand-in-Hand Mutual Fire Insurance Company Limited owns 66.7%, 72% , 40% and 56.6% at 31 December, 2023 respectively of the Issued Share Capitals.