



THE

HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

(Incorporated 1865)



156th

ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2021



NOTICE OF MEETING

The One Hundred and Fifty Sixth 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, 30 June, 2022, at 11:00 a.m for the following purposes:-

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended 31 December, 2021 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

6 June, 2022

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 the time appointed for holding the meeting.



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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.



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MANAGEMENT:

Director/Chief Executive Officer	- 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
Director/Manager	- Mary Nagasar, Dip. BMA., G.D.M., M.B.A.
Assistant Manager- Property Casualty	- Sandra Sookdeo-Ishmael, Dip. P.M
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.
Company Secretary/Finance Controller	- Compton Ramnaraine, M.A.A.T., A.I.C.B., A.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.
Marketing Officer	- Savita Singh, B.Sc.
Assistant I. T Manager	- Shakuntala Singh, F.L.M.I., A.C.S.,
Manager - Berbice Operations	- Tajpaul Adjodhea, F.L.M.I.



THE
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AUDITORS:

TSD LAL and Company,
Chartered Accountants

ATTORNEYS-AT-LAW:

Cameron & Shepherd
Hughes, Fields & Stoby

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



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BRANCH OFFICES:

BERBICE:	1) New Amsterdam	Lots 15 & 16B 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 45 'A' Public Road, Rosehall Town, Corentyne.
	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:		30 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.
CAMP STREET:		Lot 50 Camp and Robb Street, Lacy town, Georgetown.



**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's 156th Annual General Meeting. Please allow me to review the performance of the Company for the year ended 31st December 2021.

Economic Review

The global economy continued to recover from the Covid-19 pandemic, and grew by 5.5 percent. This was attributed to the easing of pandemic restrictions as vaccines were being administered to the general public. However, vaccine hesitancy and new COVID-19 variants will dampen future growth. Inflation rose in most countries as a result of higher food and energy prices, supply shortages and increased demand.

Guyana recorded an Oil-GDP growth of 19.9 percent and a Non-Oil GDP growth of 4.6 percent. This growth was attributed to the easing of COVID-19 restrictions, accommodative fiscal policies and improved investors' confidence. The mining, construction and service sectors registered significant growth. In 2020, inflation increased to 5.7 percent on account of higher fuel and food prices, and global shipping and freight costs.

Insurance Companies in Guyana 2021

The total domestic insurance sector's resources increased by 29.8 percent to \$112.3 billion in 2021. According to The Bank of Guyana, this development was due to the accelerated growth in foreign liabilities, which accounted for 30.3 percent of the total assets of domestic insurance companies.

The Life component, which accounted for 67.9 percent of the industry's resources, grew by 25.5 percent in 2021, while The Non-Life component expanded by a substantial 40.0 percent.

In 2021, Total Insurance Premiums increased by 5.6 percent or \$339 million. Life Premiums increased by 5.2 percent.

Banking Sector

The local commercial banking sector continued to remain stable despite the pandemic and managed to record healthy profits. The weighted-average time deposit rate of the banks declined to 0.91 from 0.95 percent while the weighted-average lending rate rose by 6 basis points to 9.02 percent.

Commercial banks' average Capital Adequacy Ratio stood at 31.8 percent; this being well above the prudential benchmark of 8.0 percent.



CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Trust Companies

The two trust companies in Guyana, Hand in Hand Trust Corporation Inc. and Trust Company Guyana Ltd increased their combined resources by 8.5 percent or \$1,051 million. Deposits increased by 2.9 percent or \$238 million.

Insurance Regulation

The Insurance Act 2016 which took effect in 2018, required Hand-in-Hand Fire to have a minimum surplus of assets equivalent to \$400 million. The Company is required to be compliant within 5 years from 22nd November 2018. During the year, we continued to enhance our Corporate Governance structure and Enterprise Risk Management (ERM). Our Own Risk and Solvency Assessment (ORSA) frameworks are being implemented, in keeping with international Best Practices.

IFRS17, with an effective date of 2023, will impact the current business practices of the insurance industry. The main impact would be on the profit recognition aspect of insurance companies. Our Company has been consulting with its external actuary, along with software vendors, to acquire a software package designed to enable the company to comply with all insurance and other regulations.

Group Results

The Group's results in this report comprised the performance of four of the five Hand-in-Hand companies, namely the Fire Insurance Company, the Trust Company, the Investment Company, and GCIS Inc.

The Group recorded a Total Revenue of \$3.2 billion, which represents a 44.3 percent increase over the previous year. This was mainly due to an increase in the share value of locally traded companies. Total Expenditure increased by 5.7 percent to \$2.1 billion as compared to \$1.9 billion in 2020. The Group achieved a Comprehensive Income Surplus of \$1.2 billion in 2021.

The Hand in Hand Mutual Fire Insurance Co. Ltd.

The company performed respectably under these difficult circumstances. The Total Revenue from Hand-in-Hand Fire operations and investments increased by 43.1 percent to \$1.7 billion from the previous year. Total Expenditure remained at \$1.1 billion, giving us a revenue surplus of \$650.8 million.

Premium Income from all sources within the Fire Insurance Company for the period remained at \$1.3 billion.

The company underwrote 389 New Fire Policies. Total Sums Insured of the new policies were \$15.2 billion, or a 95.4 percent increase over the previous year. Hand-in-Hand Fire's New Business Annualised Premium increased by 32.6 percent or \$46.0 million. The continuation of aggressive pricing strategies from the competitors, fueled by excess underwriting capacity in key market sectors, kept insurance premium rates down. Nevertheless, Business in Force at the end of 2021 stood at \$176.4 billion with an Annualised Premium Income of \$570.0 million. This represented a 1.8 percent increase and 0.7 percent increase with respect to the Sums Insured and Annualized Premiums, respectively. The Company will continue to expand its Accident, Bonds and Marine portfolios to cater for the expanding construction, mining and the Oil and Gas Sector.



CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Motor Insurance

The Motor Insurance Division of the company remains a leading player in the industry by virtue of the very efficient underwriting and claims service provided. During 2021, we issued a total of 4,850 new policies, generating an Annualized Premium of \$132.9 million. This represented 34.1 percent and 42.3 percent increase with respect to New Policies and Annualized Premiums respectively.

Claims

The Company was happy to meet its Claim obligations, paying and reserving a total of \$226.9 million. We see efficient claims handling as part of our mission and we will continue to provide superior claims service to our customers who may have experienced an unfortunate loss.

Investments

The Company continues to utilize all available opportunities for short-term and long-term investments while managing systematic and unsystematic risks. Investments increased from \$2.7 billion to \$3.3 billion and yielded a return of 2.2 percent on average investments. Capital appreciated by 25.5 percent.

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 \$41.3 million by way of taxation to the general revenue of the country.

Hand in Hand Trust Corporation Inc.

Total Equity of the Hand in Hand Trust increased by \$400.5 million to \$2.4 billion, due to an increase in the fair value of securities and Net Profit earned for the year.

Total Assets increased from \$10.5 billion to \$11.3 billion. This was attributed to the increases in, the fair value of securities, mortgages, loans and other cash resources by \$706.7 million.

The Trust Corporation was happy to report a Tier I and Tier II Capital Adequacy Ratio of 29.3 for 2021, which was substantially above the benchmark average of 8.0 percent.

GCIS Inc.

GCIS Inc. recorded a surplus of 27.3 million in 2021, against \$16.2 million in the previous year and continued to be a key player in the Motor Insurance Industry, complementing the Hand-in-Hand Group with excellent service.



**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Hand in Hand Investment Inc.

This Company has not yet commenced operations.

Staff and customer service.

Our customers continue to be our number one priority. Our staff remained committed to providing, on a consistent basis, a high quality of service to our customers and members of the public. In addition, the company continues to place emphasis on providing training both internally and externally.

Future Outlook

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of the pandemic, the Russia-Ukraine conflict gave rise to a ripple effect on commodity markets, supply chains, inflation, and financial conditions. This war in particular, led to soaring prices and volatility in the energy market. This will lead to the deceleration of global economic activity, which is now projected by The World Bank to grow by 2.9 percent in 2022.

As Guyana's oil production continues to increase in 2022 with the new Liza Unity FPSO coming on stream, Guyana is projected to grow 47.5 percent. The non-oil economy will also see a boost in growth of 7.7 percent at the end of the year against the backdrop of the growth of mining, agriculture, construction and service sectors.

As the economy transforms, Hand-in-Hand will continue to modernize its operations and accommodate the right skills and experience, to position itself to capture all opportunities; notably, the booming housing and infrastructural projects, along with the expanding Oil & Gas Sector.

Appreciation

As we complete another successful year, I would like to express my sincere appreciation to my fellow Directors, Management and Staff for their tremendous commitment, confidence and invaluable contribution during these challenging times.

To our policyholders, I wish to express my gratitude for their loyalty and support during the past year, and indeed over the past 156 years.

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, 2021.

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 increased by \$650.7 million for the year ended 31 December, 2021 as compared with an increase in funds of \$156.0 million for the year ended 31 December, 2020.

3. **Fire Business**

During the year the Company issued 389 fire policies insuring \$15.2 billion yielding annual premiums of \$45.8 million. At the close of the year, there were 13,771 policies in force insuring \$176.4 billion with annualised premiums of \$570.7 million. At the close of the previous year, there were 14,120 policies in force insuring \$173.2 billion with annualised premiums of \$566.6 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 4,850 policies were issued insuring 5,185 vehicles with annualised premiums of \$132.8 million. Previous year figures were 3,616 policies insuring 3,854 vehicles with annualised premiums of \$93.4 million.

5. **Investments**

Investments at the end of the year stood at \$3.3 billion as against \$2.7 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% in respect of those policies entitled to earn profit for the triennial period ended 31 December, 2021, after deduction of reserve for the unexpired period. This will result in a cash payout of \$1.8 million. For year ended 31 December, 2020, a 15% Cash Profit was declared which resulted in a payout of \$1.8 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.:	J.G Carpenter
	P.A. Chan-A-Sue
	T.A Parris
	O.Singh
	K.Sue
	R.Stanley
Mrs.:	M.Nagasar

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 structure of mandates granted to committees whilst retaining specific matters for its decisions.

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

The committees established by the Board and their Chairpersons are:

Finance, Audit and Risk Committee	-	Mr. P.A. Chan-A-Sue
Sales and Marketing Committee	-	Mr. W.A. Lee
Human Resources Committee	-	Mr. T.A Parris
Buildings Committee	-	Mr. J.G. Carpenter

10. **Auditors**

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

By Order of the Board



Compton Ramnaraine
Company Secretary/Finance Controller



THE
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AND SUBSIDIARIES

POLICIES ISSUED AND EXPIRED

	No. of Policies	Sum Insured (G\$M)	Annual Premiums (G\$M)
In force as at 2020-12-31	14,120	173,166	566
Issued during the year	<u>389</u>	<u>15,196</u>	<u>46</u>
	14,509	188,362	612
Expired during the year	<u>738</u>	<u>12,003</u>	<u>42</u>
In force as at 2021-12-31	<u>13,771</u>	<u>176,359</u>	<u>570</u>



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Hand In Hand Mutual Fire Insurance Company Limited and Subsidiaries, which comprise the statement of financial position as at 31 December, 2021, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 16 to 84.

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, 2021, 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.

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 2021 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.

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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 ISA's, 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.
- 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditor's responsibilities for the audit of the financial statements- cont'd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Group 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's 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 identify 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 47, the Company did not fully comply with the requirements of the Act.

TSD Lal & Co.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: 24 June 2022.

77 Brickdam
Stabroek, Georgetown,
Guyana.



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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Company		Group	
		2021 G\$	2020 G\$	2021 G\$	2020 G\$
Revenue					
Premiums	3	1,283,721,218	1,256,807,632	1,449,335,855	1,427,367,356
Less : Reinsurance premiums	3	288,183,502	240,535,648	299,463,588	253,288,778
Increase / (decrease) in unexpired risks	3	47,315,894	(16,639,933)	45,876,301	(23,215,502)
		948,221,822	1,032,911,917	1,103,995,966	1,197,294,080
Investment income					
"Held to collect"	4	-	-	39,623,069	62,489,208
"Held for trading"	4	35,618,765	35,282,824	72,780,476	67,888,905
"Loans and receivables"	4	29,964,314	26,103,820	731,079,916	685,007,747
Other income	5	703,330,292	101,480,688	1,243,066,003	227,452,024
Management fees	6	18,000,000	18,000,000	-	-
Unclaimed triennial cash profit and others		2,001,274	2,477,525	2,001,274	2,477,525
Gain on exchange		3,472,734	-	7,087,347	2,278,092
Gain on disposal of investments "Held for trading"		-	-	50,281,838	7,583,134
		1,740,609,201	1,216,256,774	3,249,915,889	2,252,470,715
Deduct:					
Expenditure					
Commissions and allowances	7	152,297,920	159,492,657	155,085,363	164,194,022
Management expenses	8	740,645,754	720,163,819	1,418,729,720	1,341,826,480
Claims (net)	9	226,953,777	107,163,277	243,484,757	140,263,264
Interest	10	-	-	185,843,251	184,504,139
Triennial cash profit	11	1,770,613	2,234,949	1,770,613	2,234,949
Property tax		20,977,645	16,448,429	41,921,669	33,886,544
Taxation	14	(52,787,439)	54,707,526	(576,718)	73,711,438
		1,089,858,270	1,060,210,657	2,046,258,655	1,940,620,836
Total comprehensive income for the year		650,750,931	156,046,117	1,203,657,234	311,849,879
Surplus of revenue over expenditure attributable to:					
Owners of the Company		650,750,931	156,046,117	1,062,444,282	271,834,708
Non-controlling interests		-	-	141,212,952	40,015,171
		650,750,931	156,046,117	1,203,657,234	311,849,879
Total comprehensive income attributable to:					
Owners of the Company		650,750,931	156,046,117	1,062,444,282	271,834,708
Non-controlling interests		-	-	141,212,952	40,015,171
		650,750,931	156,046,117	1,203,657,234	311,849,879

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



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AND SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

Company	Premium capital G\$	Capital reserve G\$	General reserve G\$	Capital redemption reserve G\$	Triennial profit G\$	Total G\$
Balance as at 1 January 2020	36,822,983	651,396,183	2,340,548,886	1,508,452	2,234,949	3,032,511,453
Changes in equity 2020						
Revaluation of land and building	-	60,274,260	-	-	-	60,274,260
Total comprehensive income for the year	(23,637,876)	-	180,148,329	-	(464,336)	156,046,117
Balance as at 31 December 2020	13,185,107	711,670,443	2,520,697,215	1,508,452	1,770,613	3,248,831,830
Changes in equity 2021						
Total comprehensive income for the year	(11,201,900)	-	661,970,944	-	(18,113)	650,750,931
Balance as at 31 December 2021	1,983,207	711,670,443	3,182,668,159	1,508,452	1,752,500	3,899,582,761

"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 2021

Group	Premium capital G\$	Capital reserve G\$	Risk reserve G\$	Reserve fund G\$	General reserve G\$	Capital redemption reserve G\$	Triennial profit G\$	Non controlling interest G\$	Total G\$
Balance as at 1 January 2020	36,822,983	782,845,039	97,833,778	263,395,548	2,964,076,258	1,508,452	2,234,949	617,032,001	4,765,749,008
Changes in equity 2020									
Total comprehensive income for the year	(23,637,876)	-	-	-	295,936,920	-	(464,336)	40,015,171	311,849,879
Revaluation of land and building	-	60,274,260	-	-	-	-	-	-	60,274,260
Transfer to risk reserve	-	-	80,702,301	-	-	-	-	22,314,844	103,017,145
Transfer to statutory reserve	-	-	-	15,951,956	(12,496,556)	-	-	(3,455,400)	-
Adjustment -to NCI due to sale of shares in HIHI	-	-	-	-	1087	-	-	(1,087)	-
Balance as at 31 December 2020	13,185,107	843,119,299	178,536,079	279,347,504	3,247,517,709	1,508,452	1,770,613	675,905,529	5,240,890,292
Changes in equity 2021									
Total comprehensive income for the year	(11,201,900)	-	-	-	1,073,664,295	-	(18,113)	141,212,952	1,203,657,234
Transfer to risk reserve	-	-	20,155,279	-	-	-	-	5,573,100	25,728,379
Transfer to statutory reserve	-	-	-	56,210,065	(44,034,242)	-	-	(12,175,823)	-
Dividend paid	-	-	-	-	-	-	-	(986,430)	(986,430)
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	1,732,500	809,529,328	6,469,289,475

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



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

**PROFIT AND LOSS (ANNUAL) ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Company	
	<u>Notes</u>	<u>2021</u> G\$	<u>2020</u> G\$
Earned premiums		766,873,070	796,884,042
Investment income			
"Held for trading"	4	35,618,765	35,282,824
"Loans and receivables"	4	29,964,314	26,103,820
Other income	5	13,447,675	13,348,218
Management fees		18,000,000	18,000,000
Gain on exchange		3,472,734	-
		<u>867,376,558</u>	<u>889,618,904</u>
Deduct:			
Management expenses		575,987,993	606,741,994
Claims (net)		107,628,518	35,454,632
Reinsurance premiums		257,399,336	205,922,419
Taxation		21,808,585	47,736,763
		<u>962,824,432</u>	<u>895,855,808</u>
Transfer - policies entitled to profit 2021/2023	12	<u>(95,447,874)</u>	<u>(6,236,904)</u>

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 2021.

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



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

**PROFIT AND LOSS (TRIENNIAL) ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		<u>Company and Group</u>	
	<u>Note</u>	<u>2021</u> G\$	<u>2020</u> G\$
Premiums received 2018 - 2021		11,405,630	10,521,723
Balance of unexpired risks reserve at 31 December 2021		2,558,519	2,451,886
Premiums on surrendered profit policies		<u>218,640</u>	<u>169,130</u>
		<u>14,182,789</u>	<u>13,142,739</u>
Deduct:			
Balance of unexpired risks reserve at 31 December 2021		1,832,635	1,974,670
Transfer - profit and loss (Annual) account	13	(44,801,196)	16,640,908
Triennial profit - 15%		<u>1,752,500</u>	<u>1,770,613</u>
		<u>(41,216,061)</u>	<u>20,386,191</u>
Transfer to/(from) general reserve		<u>55,398,850</u>	<u>(7,243,452)</u>

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 2021.

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




THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Notes	Company		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	G\$	G\$	G\$	G\$
ASSETS				
Non-current assets				
Goodwill	41	-	157,582,464	157,582,464
Plant, property and equipment	15	1,732,636,409	2,165,189,610	2,191,444,701
Other assets				
Investments				
"Held to collect"	16	-	786,241,636	998,603,213
"Held for trading"	16	2,389,886,435	4,207,964,777	3,396,985,477
"Loans and receivables"	16	7,485,134	7,401,123,878	6,867,257,485
Investment in subsidiaries	18	948,878,333	-	-
Properties on hand	19	1,900,000	106,507,725	46,460,895
Statutory deposits	20	-	973,283,849	911,019,143
Deferred tax assets	14	49,796,545	51,847,461	2,122,079
		<u>5,130,582,856</u>	<u>15,849,741,400</u>	<u>14,571,475,457</u>
Current assets				
Receivables and prepayments	21	817,737,491	917,908,529	922,921,024
Interest accrued	22	10,184,976	17,474,689	34,216,112
Stock of stationery		4,779,523	6,785,234	6,343,494
Tax recoverable		137,947,673	157,090,509	151,739,273
Cash on deposits	23	368,384,767	1,072,632,316	558,212,166
Cash at banks and on hand	24	117,130,410	468,586,250	540,420,082
		<u>1,456,164,840</u>	<u>2,640,477,527</u>	<u>2,213,852,151</u>
TOTAL ASSETS		<u>6,586,747,696</u>	<u>18,490,218,927</u>	<u>16,785,327,608</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Premium capital	25	1,983,207	1,983,207	13,185,107
Capital reserve	26	711,670,443	843,119,299	843,119,299
Risk reserve	29	-	198,691,358	178,536,079
Reserve fund	34	-	335,557,569	279,347,504
General reserve	27	3,182,668,159	4,277,147,762	3,247,517,709
Capital redemption reserve	28	1,508,452	1,508,452	1,508,452
Triennial profit	31	1,752,500	1,752,500	1,770,613
		<u>3,899,582,761</u>	<u>5,659,760,147</u>	<u>4,564,984,763</u>
Non-controlling interest	32	-	809,529,328	675,905,529
		<u>3,899,582,761</u>	<u>6,469,289,475</u>	<u>5,240,890,292</u>
Non-current liabilities				
Provision for unexpired risks	30	680,417,635	748,039,860	702,163,559
Medium term borrowings	33	725,334,461	725,334,461	483,715,783
Customers' deposits	35	-	627,185,868	13,415,655
Deferred tax liabilities	14	474,446,962	613,457,334	618,466,080
Policyholders' liabilities	36	-	940,326	940,326
Lease liability	40	116,768,624	145,070,511	182,538,217
		<u>1,996,967,682</u>	<u>2,860,028,360</u>	<u>2,001,239,620</u>
Other liabilities				
Short term borrowings	33	108,381,311	108,381,311	102,084,925
Customers' deposits	35	-	8,038,574,905	8,391,642,444
Claims admitted or intimated but not paid	37	270,696,366	293,728,387	270,761,055
Payables and accrued expenses	38	150,157,776	417,709,100	431,191,958
Lease liability	40	10,234,576	36,934,469	34,843,839
Taxes payable		78,127,227	138,436,003	148,657,274
Bank overdraft	39	72,599,997	127,136,917	164,016,201
		<u>690,197,253</u>	<u>9,160,901,092</u>	<u>9,543,197,696</u>
TOTAL EQUITY AND LIABILITIES		<u>6,586,747,696</u>	<u>18,490,218,927</u>	<u>16,785,327,608</u>

"These financial statements were approved by the Board of Directors on 24 June 2022"

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Company		Group	
		2021 G\$	2020 G\$	2021 G\$	2020 G\$
Operating activities					
Net cash used in operating activities	(a)	<u>(139,597,789)</u>	<u>(197,895,536)</u>	<u>(616,201,991)</u>	<u>(734,738,853)</u>
Investing activities					
Purchase of fixed assets		(65,981,377)	(48,650,899)	(69,923,943)	(67,720,692)
Right of use assets		-	(128,679,721)	-	(128,679,721)
Proceeds from redemption of securities		-	-	530,686,491	292,220,025
Properties on hand		-	-	(60,046,830)	5,089,146
Purchase of securities		-	(5,000)	(63,939,328)	(133,000,096)
Loans and receivables (advances)/repayments		1,823,999	322,890	(460,785,123)	(396,078,941)
Medium and short term borrowings		247,915,064	163,845,656	247,915,064	163,845,656
Interest and dividend received		65,583,079	61,386,644	843,483,461	815,385,860
Other income		<u>13,447,675</u>	<u>13,348,218</u>	<u>177,684,231</u>	<u>120,136,307</u>
Net cash provided by investing activities		<u>262,788,440</u>	<u>61,567,788</u>	<u>1,145,074,023</u>	<u>671,197,544</u>
Financing activities:					
Lease interest expense		(8,231,502)	(10,053,492)	(13,042,924)	(16,290,682)
Increase/(decrease) in lease liability		(10,188,498)	98,313,213	(35,377,076)	74,550,402
Non Controlling Interest- Dividend				<u>(986,430)</u>	
Net cash provided by/(used in) financing activities		<u>(18,420,000)</u>	<u>88,259,721</u>	<u>(49,406,430)</u>	<u>58,259,720</u>
Net increase/(decrease) in cash and cash equivalents		<u>104,770,651</u>	<u>(48,068,027)</u>	<u>479,465,602</u>	<u>(5,281,589)</u>
Cash and cash equivalents at beginning of period		<u>308,144,529</u>	<u>356,212,556</u>	<u>934,616,047</u>	<u>939,897,636</u>
Cash and cash equivalents at end of period		<u><u>412,915,180</u></u>	<u><u>308,144,529</u></u>	<u><u>1,414,081,649</u></u>	<u><u>934,616,047</u></u>
Comprising:					
Cash on deposits		368,384,767	356,682,448	1,072,632,316	558,212,166
Cash at banks and on hand		117,130,410	115,478,282	468,586,250	540,420,082
Bank overdraft		<u>(72,599,997)</u>	<u>(164,016,201)</u>	<u>(127,136,917)</u>	<u>(164,016,201)</u>
		<u><u>412,915,180</u></u>	<u><u>308,144,529</u></u>	<u><u>1,414,081,649</u></u>	<u><u>934,616,047</u></u>

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



THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
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NOTE TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Company		Group	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	G\$	G\$	G\$	G\$
(a) Surplus of revenue over expenditure before taxation	597,963,492	210,753,643	1,203,080,516	385,561,317
Adjustments for:				
Depreciation	44,167,642	43,283,079	58,272,327	56,771,031
Depreciation- right of use asset	12,211,990	12,211,990	37,486,173	37,486,173
Lease expense	8,231,502	10,053,492	13,042,924	16,290,682
Provision for unexpired risks	47,315,894	(16,639,933)	45,876,301	23,215,502
Provision for loan losses	-	-	(47,352,891)	79,000,391
Fair value through Profit and Loss a/c	(689,882,617)	(88,132,470)	(1,065,381,772)	(107,315,717)
Increase in mandatory deposits with				
- Bank of Guyana	-	-	(62,264,706)	117,286,011
Investment income	(65,583,079)	(61,386,644)	(843,483,461)	(815,385,860)
Other income	(13,447,675)	(13,348,218)	(177,684,231)	(120,136,307)
(Gain)/Loss from disposal of fixed assets	270,672	8,707	379,746	88,474
Operating surplus/(deficit) before working capital changes	(58,752,179)	96,803,646	(838,029,074)	(327,138,303)
Increase/(decrease) in customers' deposits	-	-	260,702,674	(45,669,727)
(Increase)/decrease in receivables, prepayments and interest accrued	40,534,270	(69,914,954)	21,953,918	(74,439,538)
(Increase)/decrease in stock of stationery	98,255	(963,090)	(441,740)	(819,499)
Increase/(decrease) in current liabilities	(72,348,161)	(214,179,259)	9,484,474	(201,597,205)
Cash used in operations	(90,467,815)	(188,253,657)	(546,329,748)	(649,664,272)
Taxes paid/adjusted	(49,129,974)	(9,641,879)	(69,872,243)	(85,074,581)
Net cash used in operating activities	<u>(139,597,789)</u>	<u>(197,895,536)</u>	<u>(616,201,991)</u>	<u>(734,738,853)</u>

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



THE HAND-IN-HAND

**MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES**

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 Co-operative Insurance Service was established in Guyana by virtue of Order No. 57 of 1976 made under the Co-operative Financial Institutions Act 1976 (No. 8 of 1976). Effective 16 October 1997 pursuant to Ministerial Order No. 32 of 1997 made under the Financial Institutions Act No. 20 of 1996, the 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 includes 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 Guyana Cooperative Insurance Services Inc.



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

NOTES ON THE ACCOUNTS

1. Incorporation and activities – cont'd

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

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

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

On 22 September 2009 Hand-In-Hand Trust Corporation Inc. issued 5,000,000 shares fully paid up for an amount of G\$500 million. These are as follows:

Names	Number of shares
The Hand-in-Hand Mutual Fire Insurance Company Limited	1,500,000
Hand-in-Hand Mutual Life Assurance Company Limited	750,000
GCIS Incorporated	500,000
Others	<u>2,250,000</u>
	<u>5,000,000</u>

On 20 October 2015, The Hand-in-Hand Mutual Fire Insurance Company Limited repurchased 2,250,000 shares from one of the non-controlling interest shareholder for an amount of G\$255 million.

The revised shareholdings 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	<u>750,000</u>	10%
	<u>7,500,000</u>	



**THE
HAND-IN-HAND
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NOTES ON THE ACCOUNTS

1. Incorporation and activities – cont'd

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	<u>30,000</u>
	<u>100,000</u>
Employees	

During the year the number of employees in the group was 272 (2020 – 267).



**THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
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NOTES ON THE ACCOUNTS

2 New and amended standards and interpretations

Amendments effective for the current year end

	Effective for annual periods beginning on or after
New and Amended Standards	
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 16 Leases: Covid-19-Related rent concessions beyond 30 June 2021	1 April 2021

The above new and amended standards had no material effect on the financial statements.

Pronouncements effective in future periods available for early adoption

	Effective for annual periods beginning on or after
New and Amended Standards	
Annual Improvements 2018-2020	1 January 2022
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
IFRS 17 Insurance contracts	1 January 2023
Amendments to IFRS 4 (Deferral of effective date of IFRS 9)	Immediately available
Amendments to IAS 1: Presentation of financial statements on classification of liabilities	1 January 2023
Narrow scope amendments to IAS 1, IAS 8 and IFRS Practice statement 2	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023



NOTES ON THE ACCOUNTS

2. New and amended standards and interpretations – cont'd

The Company has not opted for early adoption.

The standard and amendments that are expected to have a material impact on the Company's accounting policies when adopted are explained below :

Amendments to IFRS 4 (Deferral of effective date of IFRS 9)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 17, 'Insurance contracts'

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to IAS 8

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error

2.1 Summary of significant 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.



**THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
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NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(b) 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 investment securities, receivables, payables, fixed deposits and cash resources. The recognition method adopted is disclosed in the individual policy statements.

Policy for Group except for Hand in Hand Trust Corporation Inc:

Investments

The Group has classified their investments on the following bases:

Held to collect

These investments are non-derivative financial assets with fixed and determinable payments and fixed maturities that management has the positive intent and ability to hold to maturity. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. These investments are measured at amortized cost.

Held for trading

Held for trading investments are primarily equity investments held by the Group and are measured at fair value through profit or loss with any gains and losses as a result of movements in fair value being recognized in profit or loss as it occurs.

Investments in subsidiary

Investments in subsidiary are stated at cost.

Loans and receivables

Loans and receivables financial assets consist of loans and mortgages granted by the Group. These assets are measured at amortized cost.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(b) Financial Instruments - cont'd

Policy for Hand in Hand Trust Corporation:

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.

(c) 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.

(d) Loan provisioning

Losses for impaired loans are recognized promptly when there is objective evidence that impairment of a loan or loan portfolio of loans has occurred.

Impairment losses are calculated on individual loans and on loans assessed collectively. The Trust adopted IFRS 9 and classifies its financial assets based on the business model under IFRS 9 which is effective on or after January 1, 2018.

Throughout the year the Group assesses on a case by case basis whether there is objective evidence that a loan is impaired.

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

2.1 Summary of significant accounting policies – cont'd

(d) 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.

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

<u>Classification</u>	<u>Level of Provision</u>
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.

(e) 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 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 provisions booked as at 31 December, 2021 amounted to \$82.1M from IFRS 9 report and an excess provision of \$25.7M was made under Bank of Guyana Supervision Guideline No. 5.

The Risk Reserve as at 31 December, 2021 was \$253.6M. The increase of \$25.7M is shown as a transfer to Risk Reserve.



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NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(f) Plant, property and equipment and depreciation

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



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(f) Plant, property and equipment and depreciation– cont'd

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

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;

NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(f) Plant, property and equipment and depreciation– cont'd

(ii) Leases – cont'd

- 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.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.



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NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(f) Plant, property and equipment and depreciation– cont'd

(ii) Leases – cont'd

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, Plant and Equipment in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

(g) 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 \$19,287,802 (2020- \$21,411,035). 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.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(g) Pension plan - cont'd

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 2021 the corporation's contribution to the Plan was \$7,945,427(2020-\$7,280,321). The fund balance was \$208,246,022 as at 31 December 2021 (31 December 2020 – \$175,917,355).

(h) Provision for unexpired risks

The Hand in Hand Mutual Fire Insurance Company Limited's reserve for unexpired risks represents the proportion of the premiums written in a year which relates to periods of insurance subsequent to the reporting period and have been computed on the basis of 50% of the premium income on non-profit policies.

GCIS Incorporated reserve for unexpired risks is on the 60:40 method whereby 60% of the net premium written for the financial year is treated as earned and 40% as relating to the following year.

(i) Consolidation

The financial statements comprise the financial statements of The Hand-in-Hand Mutual Fire Insurance Company Limited (the company) and its controlled 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.

The financial statements incorporate the financial statements of GCIS Incorporated, Hand-In-Hand Trust Corporation Inc and Hand-In-Hand Investment Inc in which The Hand-in-Hand Mutual Fire Insurance Company Limited owns 66.7%, 72% and 40% at 31 December, 2020 respectively of the issued share capitals. The group owns 60.0% of the issued share capital of the Hand-in-Hand Investment Inc.



NOTES ON THE ACCOUNTS

1.1 Summary of significant accounting policies – cont'd

(i) Consolidation – cont'd

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. and Hand-in-Hand Investments Inc.

(j) Management fees and expenses

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

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

(k) Commissions and allowances

This represents expenses incurred in the acquisition of insurance business contracts mainly through sales representatives and brokers. Various rates are used in the computation of commission and allowances paid.

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

Dividend income from investments is recognized when the shareholders rights to receive payment have been established.

(m) Goodwill

Goodwill is tested annually for impairment.



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2.1 Summary of significant accounting policies – cont'd

(n) 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.

(o) Taxation

Income Tax

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.

Deferred Tax

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax 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.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(o) Taxation - cont'd

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.

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.

(p) Properties on hand

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

(q) 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.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(q) Foreign currencies – cont'd

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

(r) Reinsurance

The group transfers some of its insurance risk to other insurers through reinsurance both locally and overseas. The reinsurer assumes part of the risk and part of the premium originally taken by the group. Reinsurer reimburses the group for claims paid to policyholders according to various standing agreements reached. The group has both treaty and facultative reinsurance. Under a treaty each party automatically accepts specific percentage of the insurers' business. Facultative reinsurance covers specific individual risks that are unusual or so large that it cannot be covered in the group's reinsurance treaties.

Reinsurance premium paid and reinsurance recoveries that are netted against claims are accounted for in the statement of profit or loss and other comprehensive income.

Reinsurance recoveries on outstanding claims are shown as current asset in the statement of financial position.

(s) Insurance contract – The Hand-in-Hand Mutual Fire Insurance Company Ltd.

The company issues contracts that transfer insurance risk or financial risk or both.

Accident and liability Insurance contracts protect the company's customer against the risk of causing harm to third parties as a result of their legitimate activities and damages covered include both contractual and non-contractual events.

Property Insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost.

Liability adequacy test

The company, upon notification of the occurrence of an insured event, sets up a provision based on best estimates and/or reports received from loss adjusters. At regular intervals the amounts provided for all unpaid claims are reviewed to take into account



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(s) Insurance contract – The Hand-in-Hand Mutual Fire Insurance Company Ltd. – cont'd

any material changes advised of by the client and/or broker. At all times therefore, balances reflected as payable on individual claims represent the assessed liability of the company having taken all the information relevant to the individual claims into consideration. Liabilities for all claims are kept until they are discharged or cancelled or have expired.

(t) Insurance contract – GCIS Inc.

The Company has traditional long-term insurance contracts that continue through the life of the insured individual and for specified periods as well.

Insurance premiums are recognized as they become payable by the contract holder. Premiums paid are recognized through the statement of profit or loss and other comprehensive income and are shown gross of commission.

There is a concentration of insurance risk in the age range of 21-30 years. This risk is factored into the insurance premium amount. A higher premium is charged for high risk insurance contracts. The company maintains a large portfolio of similar contracts resulting in less variability in the estimated risk.

(u) Claims

Claims are made against the group for losses incurred by its various policy holders. Management minimizes this expense by prudent underwriting of policies and efficient handling and settlement of claims. Management also minimizes this expense by reinsurance. Claims are reflected in the statement of profit or loss and other comprehensive income net of reinsurance recoveries. Claims that are reported but not paid are provided for in the accounts. The amount provided is based upon the estimated liabilities and limited to the coverage granted under the policy. Where the claim is subject to reinsurance, an amount is provided as recoverable from the reinsurer. A claim must be made immediately and then put in writing within 14 days according to the insurance contract.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(v) 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.

(w) Capital reserve

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

(x) General reserve

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

(y) 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.

(z) 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.

(aa) 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.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(ab) 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.

(ac) Impairment of tangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

(ad) 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.

(ae) 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.

(af) 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.



NOTES ON THE ACCOUNTS

2.1 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company and Group's accounting policies which are described in note 2.1, 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.

Key sources of estimation uncertainty

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) Receivables and prepayments
On a regular basis, management reviews receivables and prepayments to assess impairment. Based on the information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment.
- (ii) Useful lives of plant, 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) Other financial assets
In determining the fair value of investments in the absence of a market, the Directors estimate the likelihood of impairment by using discounted cash flows.

- (iv) Impairment of financial assets/determination of expected credit losses

Management makes judgement on recognition of every financial asset of the expected credit losses. 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
The 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\$190,784,095 at 31 December 2021 (2020 – G\$228,270,268).



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	2021			
	<u>Gross</u>	<u>Reinsurance</u>	<u>Increase / (decrease) in</u>	<u>Net</u>
	G\$	G\$	<u>Unexpired Risks</u>	G\$
	G\$			
3 Premiums				
Company				
Fire	634,107,730	234,049,454	30,058,554	369,999,722
Marine	13,023,935	3,854,374	4,264,952	4,904,609
Accident and liabilities	160,144,748	19,495,508	(4,016,915)	144,666,155
Auto	476,444,805	30,784,166	17,009,303	428,651,336
	<u>1,283,721,218</u>	<u>288,183,502</u>	<u>47,315,894</u>	<u>948,221,822</u>
Group				
Fire	659,541,442	233,783,784	29,705,219	396,052,439
Marine	13,023,935	3,854,374	4,264,952	4,904,609
Accident and liabilities	160,144,748	19,495,508	(4,016,915)	144,666,155
Auto	616,625,730	42,329,922	15,923,045	558,372,763
	<u>1,449,335,855</u>	<u>299,463,588</u>	<u>45,876,301</u>	<u>1,103,995,966</u>
	2020			
	<u>Gross</u>	<u>Reinsurance</u>	<u>Increase / (decrease) in</u>	<u>Net</u>
	G\$	G\$	<u>Unexpired Risks</u>	G\$
	G\$			
Premiums				
Company				
Fire	641,725,307	180,874,198	7,229,714	453,621,395
Marine	5,736,586	5,310,817	(2,036,274)	2,462,043
Accident and liabilities	164,974,792	19,737,404	(48,802)	145,286,190
Auto	444,370,947	34,613,229	(21,784,571)	431,542,289
	<u>1,256,807,632</u>	<u>240,535,648</u>	<u>(16,639,933)</u>	<u>1,032,911,917</u>
Group				
Fire	608,003,219	193,627,328	6,568,845	407,807,046
Marine	5,736,586	5,310,817	(2,036,274)	2,462,043
Accident and liabilities	164,974,792	19,737,404	(48,802)	145,286,190
Auto	648,652,759	34,613,229	(27,699,271)	641,738,801
	<u>1,427,367,356</u>	<u>253,288,778</u>	<u>(23,215,502)</u>	<u>1,197,294,080</u>
	Company		Group	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	G\$	G\$	G\$	G\$
4 Investment income				
"Held to collect"				
Bonds & debentures	-	-	39,623,069	62,489,208
"Held for trading"				
Shares and stocks	35,618,765	35,282,824	72,780,476	67,888,905
"Loans and receivables"				
Mortgages & loans	29,964,314	26,103,820	731,079,916	685,007,747
Total	<u>65,583,079</u>	<u>61,386,644</u>	<u>843,483,461</u>	<u>815,385,860</u>
Investment income from:				
Quoted investments	36,141,158	31,338,296	74,408,181	61,230,558
Unquoted investments	29,441,921	30,048,348	769,075,280	754,155,302
	<u>65,583,079</u>	<u>61,386,644</u>	<u>843,483,461</u>	<u>815,385,860</u>
5 Other income				
Cash on deposit	6,076,075	5,963,115	11,014,158	10,849,887
Changes in fair value on equity securities	689,882,617	88,132,470	1,065,381,772	107,315,717
Miscellaneous	7,371,600	7,385,103	166,670,073	109,286,420
	<u>703,330,292</u>	<u>101,480,688</u>	<u>1,243,066,003</u>	<u>227,452,024</u>



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	Company		Group	
	2021 G\$	2020 G\$	2021 G\$	2020 G\$
6 Management fees				
GCIS Inc.	12,000,000	12,000,000	-	-
Hand in Hand Trust Corporation Inc.	6,000,000	6,000,000	-	-
	<u>18,000,000</u>	<u>18,000,000</u>	<u>-</u>	<u>-</u>
7 Commissions and allowances				
Fire	100,809,555	108,246,533	101,077,940	110,031,863
Marine	2,070,527	967,650	2,070,527	967,650
Accident and liabilities	25,459,587	27,828,027	25,459,587	27,828,027
Auto	23,958,251	22,450,447	26,477,309	25,366,482
	<u>152,297,920</u>	<u>159,492,657</u>	<u>155,085,363</u>	<u>164,194,022</u>
8 Management expenses				
Operating expenses	248,187,813	209,469,637	354,603,077	307,666,875
Provision for losses (a)	-	-	96,619,040	76,571,676
Provision for ECL's (b)	3,808,878	(2,991,235)	21,603,334	778,921
Employment cost	414,832,039	440,894,272	823,059,194	835,605,688
Depreciation	56,379,632	55,495,069	95,758,500	94,257,204
Directors' emoluments (c)	13,189,494	13,050,852	19,734,306	19,660,330
Auditor's remuneration	4,247,898	4,245,224	7,352,269	7,285,786
	<u>740,645,754</u>	<u>720,163,819</u>	<u>1,418,729,720</u>	<u>1,341,826,480</u>
(a) Provision for losses				
Bad debt written off	-	-	77,882,748	5,372,305
Bad debt recoveries	-	-	(2,190,609)	(2,428,715)
Loss allowance (ECLs) for the year	-	-	20,926,901	73,628,086
	<u>-</u>	<u>-</u>	<u>96,619,040</u>	<u>76,571,676</u>
(b) Credit impairment losses on other financial assets				
Loss allowance on investments	12,221	12,480	16,912,900	3,782,636
Loss allowance on other financial assets	3,796,657	(3,003,715)	4,690,434	(3,003,715)
	<u>3,808,878</u>	<u>(2,991,235)</u>	<u>21,603,334</u>	<u>778,921</u>
(c) Directors' emoluments				
J.G. Carpenter - (Chairman - HHHF)	3,425,508	3,262,392	3,872,004	3,687,662
P.A. Chan-Sue - (Chairman - HHH Trust and Chairman - GCIS Inc)	2,055,576	1,957,692	3,728,922	3,529,298
C.R. Quintin - Retired	1,541,682	1,957,692	2,239,068	3,422,056
W.A. Lee - (Vice Chairman - HHHF)	2,055,576	1,957,692	2,055,576	1,957,692
I.A. Mc Donald	2,055,576	1,957,692	2,963,232	2,865,348
T.A. Parris	2,055,576	1,957,692	3,409,728	3,290,618
K. Evelyn	-	-	260,456	-
Troy Cadogan	-	-	907,656	907,656
R. Rowe	-	-	297,664	-
	<u>13,189,494</u>	<u>13,050,852</u>	<u>19,734,306</u>	<u>19,660,330</u>



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	2021			2020		
	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$
9 Claims						
Company						
Fire	97,180,911	245,219	96,935,692	86,959,145	30,451,349	56,507,796
Marine	2,254,157	-	2,254,157	(1,230,042)	-	(1,230,042)
Accident and liabilities	8,438,669	-	8,438,669	(7,867,476)	11,955,646	(19,823,122)
Auto	123,409,701	4,084,442	119,325,259	72,376,645	668,000	71,708,645
	<u>231,283,438</u>	<u>4,329,661</u>	<u>226,953,777</u>	<u>150,238,272</u>	<u>43,074,995</u>	<u>107,163,277</u>
Group						
Fire	98,038,858	235,436	97,803,422	87,303,499	30,664,344	56,639,155
Marine	2,254,157	-	2,254,157	(1,230,042)	-	(1,230,042)
Accident and liabilities	8,438,669	-	8,438,669	(7,867,476)	11,955,646	(19,823,122)
Auto	140,641,451	5,652,942	134,988,509	105,435,273	758,000	104,677,273
	<u>249,373,135</u>	<u>5,888,378</u>	<u>243,484,757</u>	<u>183,641,254</u>	<u>43,377,990</u>	<u>140,263,264</u>



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	Group	
	2021	2020
	G\$	G\$
10 Interest		
Interest expenses	185,843,251	184,504,139
Interest expenses represent interest on customers' deposits at Hand in Hand Trust Corporation Inc.		
	Company & Group	
	2021	2020
	G\$	G\$
11 Triennial cash profit		
Triennial cash profit - 15%	1,770,613	2,234,949
12 Policies entitled to profits 2020/2023		
Policies entitled to profits 2020	-	(2,561,615)
Policies entitled to profits 2021	(41,315,789)	(2,248,250)
Policies entitled to profits 2022	(34,251,079)	(1,427,039)
Policies entitled to profits 2023	(19,881,006)	-
	(95,447,874)	(6,236,904)
13 Transfer - profit and loss (Annual) account on policies entitled to profit		
At 31 December 2018	-	21,020,027
At 31 December 2019	(1,237,157)	(1,817,504)
At 31 December 2020	(2,248,250)	(2,561,615)
At 31 December 2021	(41,315,789)	-
	(44,801,196)	16,640,908



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14 Taxation

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

	Company		Group	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	G\$	G\$	G\$	G\$
Reconciliation of tax expenses and accounting profit				
Accounting profit	<u>597,963,492</u>	<u>210,753,643</u>	<u>1,204,233,952</u>	<u>385,561,317</u>
Corporation tax @ 40%/27.5%	239,185,397	84,301,457	364,444,751	129,941,937
Add:				
Tax effect of expenses not deductible in determining taxable profit	<u>22,551,853</u>	<u>22,198,028</u>	<u>24,144,967</u>	<u>24,018,984</u>
	<u>261,737,250</u>	<u>106,499,485</u>	<u>388,589,718</u>	<u>153,960,921</u>
Deduct:				
Income exempt from corporation tax	<u>(17,314,292)</u>	<u>(11,437,512)</u>	<u>(54,183,580)</u>	<u>(41,538,015)</u>
	<u>244,422,958</u>	<u>95,061,973</u>	<u>334,406,138</u>	<u>112,422,906</u>
Adjustments and effect of varying tax rates	<u>(244,422,958)</u>	<u>64,599,049</u>	<u>(283,492,815)</u>	<u>(38,711,468)</u>
Corporation tax	-	30,462,924	50,913,323	39,768,242
Taxes deducted at source from income on deposits	880,624	877,990	3,244,087	3,735,766
Deferred tax	<u>(53,668,063)</u>	<u>23,366,612</u>	<u>(54,734,128)</u>	<u>30,207,430</u>
	<u>(52,787,439)</u>	<u>54,707,526</u>	<u>(576,718)</u>	<u>73,711,438</u>
Taxation - current	880,624	31,340,914	54,157,410	43,504,008
- deferred	<u>(53,668,063)</u>	<u>23,366,612</u>	<u>(54,734,128)</u>	<u>30,207,430</u>
	<u>(52,787,439)</u>	<u>54,707,526</u>	<u>(576,718)</u>	<u>73,711,438</u>



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14 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, plant and equipment	Unused tax losses carried forward	Total
	G\$	G\$	G\$
<u>Deferred assets</u>			
At 1 January 2020	69,610	19,425,484	19,495,094
Movement during the year:-			
Statement of profit or loss and other comprehensive income	(69,610)	(19,425,484)	(19,495,094)
At 31 December 2020	-	-	-
Movement during the year:-			
Statement of profit or loss and other comprehensive income	447,231	49,349,314	49,796,545
At 31 December 2021	447,231	49,349,314	49,796,545

	Company		
	Revaluation of land and building	Property, plant and equipment	Total
	G\$	G\$	G\$
<u>Deferred liabilities</u>			
At 1 January 2020	434,264,122	-	434,264,122
Movement during the year:-			
Statement of profit or loss and other comprehensive income	40,182,840	3,871,518	44,054,358
At 31 December 2020	474,446,962	3,871,518	478,318,480
Movement during the year:-			
Statement of profit or loss and other comprehensive income	-	(3,871,518)	(3,871,518)
At 31 December 2021	474,446,962	-	474,446,962



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14 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		
	<u>Property, plant and equipment</u> G\$	<u>Unused tax losses carried forward</u> G\$	<u>Total</u> G\$
<u>Deferred assets</u>			
At 1 January 2020	1,462,427	19,425,484	20,887,911
Movement during the year:-			
Statement of profit or loss and other comprehensive income	<u>(69,610)</u>	<u>(18,696,222)</u>	<u>(18,765,832)</u>
At 31 December 2020	1,392,817	729,262	2,122,079
Movement during the year:-			
Statement of profit or loss and other comprehensive income	<u>376,068</u>	<u>49,349,314</u>	<u>49,725,382</u>
At 31 December 2021	<u>1,768,885</u>	<u>50,078,576</u>	<u>51,847,461</u>
	Group		
	<u>Revaluation of land and building</u> G\$	<u>Property, plant and equipment</u> G\$	<u>Total</u> G\$
<u>Deferred liabilities</u>			
At 1 January 2020	560,390,189	6,451,453	566,841,642
Movement during the year:-			
Statement of profit or loss and other comprehensive income	<u>40,182,840</u>	<u>11,441,598</u>	<u>51,624,438</u>
At 31 December 2020	600,573,029	17,893,051	618,466,080
Movement during the year:-			
Statement of profit or loss and other comprehensive income	<u>-</u>	<u>(5,008,746)</u>	<u>(5,008,746)</u>
At 31 December 2021	<u>600,573,029</u>	<u>12,884,305</u>	<u>613,457,334</u>



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15 (a) Plant, property and equipment

COMPANY

	Freehold land and <u>buildings</u> G\$	Right-of-use <u>assets</u> G\$	Furniture, equipment and <u>machinery</u> G\$	Motor <u>vehicles</u> G\$	<u>Total</u> G\$
Cost/valuation					
At 1 January 2020	1,299,142,900	44,974,986	397,175,450	89,047,167	1,830,340,503
Additions	-	128,679,721	26,200,899	22,450,000	177,330,620
Revaluation	100,457,100	-	-	-	100,457,100
Disposals	-	-	(323,858)	-	(323,858)
At 31 December 2020	1,399,600,000	173,654,707	423,052,491	111,497,167	2,107,804,365
Additions	1,432,000	-	24,528,534	40,020,843	65,981,377
Disposals	-	-	(2,018,894)	-	(2,018,894)
At 31 December 2021	1,401,032,000	173,654,707	445,562,131	151,518,010	2,171,766,848
Comprising:					
Cost	214,914,595	173,654,707	445,562,131	151,518,010	985,649,443
Valuation	1,186,117,405	-	-	-	1,186,117,405
	1,401,032,000	173,654,707	445,562,131	151,518,010	2,171,766,848
Depreciation					
At 1 January 2020	-	8,994,997	280,843,972	39,480,142	329,319,111
Charged for the year	11,910,000	12,211,990	18,712,605	12,660,474	55,495,069
Written back on disposals	-	-	(315,151)	-	(315,151)
At 31 December 2020	11,910,000	21,206,987	299,241,426	52,140,616	384,499,029
Charge for the year	11,671,800	12,211,990	17,787,044	14,708,798	56,379,632
Written back on disposals	-	-	(1,748,222)	-	(1,748,222)
At 31 December 2021	23,581,800	33,418,977	315,280,248	66,849,414	439,130,439
Net book values:					
At 31 December 2020	1,387,690,000	152,447,720	123,811,065	59,356,551	1,723,305,336
At 31 December 2021	1,377,450,200	140,235,730	130,281,883	84,668,596	1,732,636,409



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15 (b) Plant, property and equipment

GROUP

	Freehold land and <u>buildings</u> G\$	Right-of-use <u>assets</u> G\$	Furniture, equipment and <u>machinery</u> G\$	Motor <u>vehicles</u> G\$	<u>Total</u> G\$
Cost/valuation					
At 1 January 2020	1,652,442,900	171,345,900	526,830,631	119,325,069	2,469,944,500
Additions	-	128,679,721	28,970,692	38,750,000	196,400,413
Revaluation	100,457,100	-	-	-	100,457,100
Disposals	-	-	(1,727,259)	-	(1,727,259)
At 31 December 2020	1,752,900,000	300,025,621	554,074,064	158,075,069	2,765,074,754
Additions	1,432,000	-	28,471,100	40,020,843	69,923,943
Disposals	-	-	(10,924,647)	-	(10,924,647)
At 31 December 2021	1,754,332,000	300,025,621	571,620,517	198,095,912	2,824,074,050
Comprising:					
Cost	239,643,171	300,025,621	571,620,517	198,095,912	1,309,385,221
Valuation	1,514,688,829	-	-	-	1,514,688,829
	1,754,332,000	300,025,621	571,620,517	198,095,912	2,824,074,050
Accumulated depreciation					
At 1 January 2020	-	34,269,180	379,863,417	66,879,037	481,011,634
Charged for the year	14,841,000	37,486,173	26,865,552	15,064,479	94,257,204
Written back on disposals	-	-	(1,638,785)	-	(1,638,785)
At 31 December 2020	14,841,000	71,755,353	405,090,184	81,943,516	573,630,053
Charge for the year	14,514,870	37,486,173	24,308,211	19,449,246	95,758,500
Written back on disposals	-	-	(10,504,113)	-	(10,504,113)
At 31 December 2021	29,355,870	109,241,526	418,894,282	101,392,762	658,884,440
Net book values:					
At 31 December 2020	1,738,059,000	228,270,268	148,983,880	76,131,553	2,191,444,701
At 31 December 2021	1,724,976,130	190,784,095	152,726,235	96,703,150	2,165,189,610



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16 Investments

	Company			
	31.12.2021		31.12.2020	
	Fair value G\$	Cost G\$	Fair value G\$	Cost G\$
"Held For trading"				
Shares and other stocks				
Guyana	2,028,332,109	530,537,122	1,416,501,411	530,537,122
Canada	120,444,680	24,684,283	100,394,390	24,684,283
United States	241,109,646	42,277,902	183,108,017	42,277,902
	<u>2,389,886,435</u>	<u>597,499,307</u>	<u>1,700,003,818</u>	<u>597,499,307</u>
Loans and receivables'				
Mortgages (d)	342,270	342,270	342,270	342,270
MCG investment	11,102,509	11,102,509	12,914,287	12,914,287
Provision for impairment ECL's	(3,959,645)	(3,959,645)	(3,947,424)	(3,947,424)
	<u>7,485,134</u>	<u>7,485,134</u>	<u>9,309,133</u>	<u>9,309,133</u>
Total investments	<u>2,397,371,569</u>	<u>604,984,441</u>	<u>1,709,312,951</u>	<u>606,808,440</u>
Impairment on investments				
Opening balance	3,947,424	3,947,424	3,934,944	3,934,944
ECLs during the year	12,221	12,221	12,480	12,480
As at year end	<u>3,959,645</u>	<u>3,959,645</u>	<u>3,947,424</u>	<u>3,947,424</u>
	Group			
	31.12.2021		31.12.2020	
	Fair value G\$	Cost G\$	Fair value G\$	Cost G\$
"Held to collect"				
Bonds & Debentures:-				
Guyana - Others (a)	-	-	60,394,900	60,394,900
Caribbean - Government (b)	235,929,776	235,929,776	434,935,102	434,935,102
Caribbean - Others (c)	590,359,991	590,359,991	526,420,663	526,420,663
Less ECL's	(40,048,131)	(40,048,131)	(23,147,452)	(23,147,452)
	<u>786,241,636</u>	<u>786,241,636</u>	<u>998,603,213</u>	<u>998,603,213</u>
"Held For trading"				
Government:-				
Shares, other stocks and bonds				
Guyana	2,902,088,175	726,781,601	2,359,279,620	877,460,506
Canada	146,681,514	40,868,841	123,887,573	48,780,716
United States	323,660,026	77,537,834	246,533,883	77,477,134
Caribbean - Others	835,535,062	726,086,263	667,284,401	466,809,370
	<u>4,207,964,777</u>	<u>1,571,274,539</u>	<u>3,396,985,477</u>	<u>1,470,527,726</u>
Loans and receivables'				
Mortgages	7,476,065,336	7,476,065,336	6,945,176,422	6,945,176,422
MCG investment	11,102,509	11,102,509	12,914,287	12,914,287
Provision for impairment ECL's	(86,043,967)	(86,043,967)	(90,833,224)	(90,833,224)
Mortgages net of ECL (d)	<u>7,401,123,878</u>	<u>7,401,123,878</u>	<u>6,867,257,485</u>	<u>6,867,257,485</u>
Total investments	<u>12,395,330,291</u>	<u>9,758,640,053</u>	<u>11,262,846,175</u>	<u>9,336,388,424</u>
Impairment on investments				
Opening balance	90,833,224	90,833,224	120,209,803	120,209,803
ECLs during the year	(4,789,257)	(4,789,257)	(29,376,579)	(29,376,579)
As at year end	<u>86,043,967</u>	<u>86,043,967</u>	<u>90,833,224</u>	<u>90,833,224</u>



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16 Investments - cont'd

Investment securities

	<u>Year of</u> <u>maturity</u>	<u>Rate of</u> <u>interest</u>	<u>Security</u>	<u>31.12.2021</u> G\$	<u>31.12.2020</u> G\$
Held to collect					
<u>(a) Guyana - Others</u>					
Berbice Bridge Inc. - Tranche 2	2022	10.00	Secured	-	60,394,900
				-	60,394,900
<u>(b) Caribbean- Government</u>					
Gov't of Belize	2031	4.94	Secured	-	162,513,888
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	6,427,841	6,949,052
Gov't of St Kitts New Par Bonds	2057	1.50	Secured	9,148,071	9,148,071
Gov't of T&T Bond	2021	-	Secured	-	19,020,000
Gov't of T&T Bond	2021	-	Secured	-	4,680,000
Barbados Port Inc.	2024	8.00	Secured	43,053,864	55,324,091
TSTT Bridge Bond	2029	5.20	Secured	120,000,000	120,000,000
				<u>235,929,776</u>	<u>434,935,102</u>



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16 Investments - cont'd

Investment securities - cont'd

	<u>Year of maturity</u>	<u>Rate of interest</u>	<u>Security</u>	<u>31.12.2021</u> G\$	<u>31.12.2020</u> G\$
(c) Caribbean- Others					
JMMB Repurchase Agreement	2021	2.55	Secured	-	64,586,842
JMMB Repurchase Agreement	2021	2.30	Secured	-	161,833,821
JMMB Repurchase Agreement	2022	1.65	Secured	60,000,000	-
JMMB Repurchase Agreement	2022	1.85	Secured	230,359,991	-
Hand in Hand Life Assurance Co. Ltd.	2022	2.75	Secured	300,000,000	300,000,000
				<u>590,359,991</u>	<u>526,420,663</u>

(d) Mortgages

	<u>Company</u>		<u>Group</u>	
	<u>31.12.2021</u> G\$	<u>31.12.2020</u> G\$	<u>31.12.2021</u> G\$	<u>31.12.2020</u> G\$
(a) Accrual loan and advances	11,444,779	13,256,557	4,326,327,236	4,073,363,860
Non accruals loan and advances	-	-	3,160,840,609	2,884,726,849
	<u>11,444,779</u>	<u>13,256,557</u>	<u>7,487,167,845</u>	<u>6,958,090,709</u>
Expected credit loss (i)	<u>3,959,645</u>	<u>3,947,424</u>	<u>86,043,967</u>	<u>90,833,224</u>
	<u>7,485,134</u>	<u>9,309,133</u>	<u>7,401,123,878</u>	<u>6,867,257,485</u>
(i) Expected credit loss				
At beginning	3,947,424	3,934,944	90,833,224	120,209,803
ECL's during the year	<u>12,221</u>	<u>12,480</u>	<u>(4,789,257)</u>	<u>(29,376,579)</u>
As at year end	<u>3,959,645</u>	<u>3,947,424</u>	<u>86,043,967</u>	<u>90,833,224</u>



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17 Fair value determination

The following table details the carrying costs of assets and liabilities. Fair values are stated for disclosure purposes.

Company	IFRS 13 Level	31.12.2021		IFRS 13 Level	31.12.2020	
		Carrying Value G\$	Fair Value G\$		Carrying Value G\$	Fair Value G\$
Assets						
Investments						
"Loans and receivables"	2	7,485,134	7,485,134	2	9,309,133	9,309,133
Accrued interest	2	10,184,976	10,184,976	2	16,754,016	16,754,016
Receivable and prepayments	2	817,737,491	817,737,491	2	851,702,721	851,702,721
Cash on deposits	1	368,384,767	368,384,767	1	356,682,448	356,682,448
Cash at banks and on hand	1	117,130,410	117,130,410	1	115,478,282	115,478,282
		<u>1,320,922,778</u>	<u>1,320,922,778</u>		<u>1,349,926,600</u>	<u>1,349,926,600</u>
Liabilities						
Provision for unexpired risks	3	680,417,635	680,417,635	3	633,101,741	633,101,741
Medium term borrowings	2	725,334,461	725,334,461	2	483,715,783	483,715,783
Short term borrowings	2	108,381,311	108,381,311	2	102,084,925	102,084,925
Claims admitted and intimated but not paid	2	270,696,366	270,696,366	2	245,850,296	245,850,296
Payables and accrued expenses	2	150,157,776	150,157,776	2	247,352,007	247,352,007
Bank overdraft	1	72,599,997	72,599,997	1	164,016,201	164,016,201
		<u>2,007,587,546</u>	<u>2,007,587,546</u>		<u>1,876,120,953</u>	<u>1,876,120,953</u>
Group						
Assets						
Goodwill	3	157,582,464	157,582,464	3	157,582,464	157,582,464
Investments						
"Held to collect"	2	786,241,636	786,241,636	2	998,603,213	998,603,213
"Loans and receivables"	3	7,401,123,878	7,401,123,878	3	6,867,257,485	6,867,257,485
Statutory deposits	1	973,283,849	973,283,849	1	911,019,143	911,019,143
Accrued interest	2	17,474,689	17,474,689	2	34,216,112	34,216,112
Receivable and prepayments	2	917,908,529	917,908,529	2	922,921,024	922,921,024
Cash on deposits	1	1,072,632,316	1,072,632,316	1	558,212,166	558,212,166
Cash at banks and on hand	1	468,586,250	468,586,250	1	540,420,082	540,420,082
		<u>11,794,833,611</u>	<u>11,794,833,611</u>		<u>10,990,231,689</u>	<u>10,990,231,689</u>
Liabilities						
Provision for unexpired risks	2	748,039,860	748,039,860	2	702,163,559	702,163,559
Medium term borrowings	2	725,334,461	725,334,461	2	483,715,783	483,715,783
Customers' deposits	2	8,665,760,773	8,665,760,773	2	8,405,058,099	8,405,058,099
Policyholders' liabilities	2	940,326	940,326	2	940,326	940,326
Short term borrowings	2	108,381,311	108,381,311	2	102,084,925	102,084,925
Claims admitted and intimated but not paid	2	293,728,387	293,728,387	2	270,761,055	270,761,055
Payables and accrued expenses	2	417,709,100	417,709,100	2	431,191,958	431,191,958
Bank overdraft	1	127,136,917	127,136,917	1	164,016,201	164,016,201
		<u>11,087,031,135</u>	<u>11,087,031,135</u>		<u>10,559,931,906</u>	<u>10,559,931,906</u>



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17 Fair value determination - cont'd

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

The fair values of assets and liabilities are determined as follows:

(i) **"Loans and receivables"**

Loans and receivables and other receivables are net of specific provision for impairment. The fair value is based on expected realisation of outstanding balances taking into account the Company's and Group's history with respect to delinquencies. Mortgages are secured against the borrowers' properties.

(ii) **"Financial instruments where the carrying amounts are equal to fair value "**

The fair values of the Company's and Group's investments were arrived at using market rates provided by Guyana Association of Securities Companies and Intermediaries Inc. and Directors' assessment.

Financial instruments where the carrying amounts are equal to fair value:- Due to their short term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash and cash equivalents, statutory deposits, receivables and prepayments, accrued interest, medium term borrowings, claims admitted and intimated but not paid, payables and accruals, bank overdraft and customer deposits.

(iii) Fair value of properties on hand, goodwill, and reserve were determined using Directors estimate.

(iv) Fair value of policyholders' liabilities was determined by the actuaries.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

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

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).



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17 Fair value determination - cont'd

Assets carried at fair value

Company

	31.12.2021 (IFRS 13)			<u>Total</u> G\$
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	G\$	G\$	G\$	
Held for trading financial assets	361,554,327	2,018,044,358	10,287,750	2,389,886,435

	31.12.2020 (IFRS 13)			<u>Total</u> G\$
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	G\$	G\$	G\$	
Held for trading financial assets	283,502,407	1,406,226,411	10,275,000	1,700,003,818

Group

	31.12.2021 (IFRS 13)			<u>Total</u> G\$
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	G\$	G\$	G\$	
Held for trading financial assets	361,654,327	2,658,482,167	1,187,828,283	4,207,964,777

	31.12.2020 (IFRS 13)			<u>Total</u> G\$
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	G\$	G\$	G\$	
Held for trading financial assets	1,037,605,857	2,349,004,620	10,375,000	3,396,985,477

Where the fair value of an held for trading financial assets investment security is based on a quoted market price in an active market, the instrument is classified in Level 1. A market is regarded as active if quoted market prices are readily and regularly available from an exchange, dealer, broker, industry, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the fair value of an held for trading financial assets investment security is determined by quoted price for an identical instrument in a market that is considered less active or by a quoted price in an active market for a similar instrument, that instrument is included in Level 2.

If the fair value is based on one or more significant inputs that are not derived from observable market data, the instrument is included in Level 3.

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Plant, Property and Equipment	1,732,636,409	1,723,305,336	2,165,189,610	2,191,444,701
Properties on hand	1,900,000	1,900,000	106,507,725	46,460,895

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.

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.



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18 Investment in subsidiaries

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	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	-	-
	<u>948,878,333</u>	<u>948,878,333</u>	<u>-</u>	<u>-</u>

19 Properties on hand

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Cost				
Opening and closing balance	1,900,000	1,900,000	106,507,725	46,460,895
Provision for diminution in value	-	-	-	-
Fair value	<u>1,900,000</u>	<u>1,900,000</u>	<u>106,507,725</u>	<u>46,460,895</u>

20 Statutory deposits

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Deposit at Bank of Guyana	<u>-</u>	<u>-</u>	<u>973,283,849</u>	<u>911,019,143</u>

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



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21 Receivables and prepayments

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Reinsurance recoveries (a)	20,998,420	200,533,785	20,998,420	200,533,785
Prepayments	10,678,742	8,264,935	18,643,763	15,212,154
Other receivables (b)	<u>803,470,967</u>	<u>656,517,982</u>	<u>899,682,361</u>	<u>722,318,144</u>
	835,148,129	865,316,702	939,324,544	938,064,083
Less: Provision for impairment/ ECL's (Individually assessed)	<u>17,410,638</u>	<u>13,613,981</u>	<u>21,416,015</u>	<u>15,143,059</u>
	<u><u>817,737,491</u></u>	<u><u>851,702,721</u></u>	<u><u>917,908,529</u></u>	<u><u>922,921,024</u></u>
Impairment on Investments (IFRS 9)				
Opening balance	13,613,981	12,272,700	15,143,059	12,926,798
ECLs during the year	<u>3,796,657</u>	<u>1,341,281</u>	<u>6,272,956</u>	<u>2,216,261</u>
As at year end	<u><u>17,410,638</u></u>	<u><u>13,613,981</u></u>	<u><u>21,416,015</u></u>	<u><u>15,143,059</u></u>

(a) This represents recoveries from reinsurers, based on the various treaties, on claims provided for but not paid to date.

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Reinsurance recoveries				
Fire	5,000,000	184,535,365	5,000,000	184,535,365
Accident and liabilities	12,998,420	12,998,420	12,998,420	12,998,420
Auto	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
	<u><u>20,998,420</u></u>	<u><u>200,533,785</u></u>	<u><u>20,998,420</u></u>	<u><u>200,533,785</u></u>

(b) Included in this amount is a deposit for the acquisition of 10,000 shares in the Hand In Hand Investment USA Inc. of (G\$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, 2021, an amount of G\$939 million 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\$10,865,461. This Company was not included in the consolidated financial statements as it was considered immaterial to the group.



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	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
22 Interest accrued				
Bonds	-	-	4,336,198	14,567,216
Deposits at banks	8,215,835	8,190,560	11,169,350	11,085,440
Investment income	1,969,141	8,563,456	1,969,141	8,563,456
	<u>10,184,976</u>	<u>16,754,016</u>	<u>17,474,689</u>	<u>34,216,112</u>
23 Cash on deposits				
Non statutory deposits:				
Term deposits	260,589,707	246,713,959	920,304,336	405,201,105
Other deposits	107,795,060	109,968,489	152,327,980	153,011,061
	<u>368,384,767</u>	<u>356,682,448</u>	<u>1,072,632,316</u>	<u>558,212,166</u>
24 Cash at banks and on hand				
Cash at banks	116,333,382	113,743,004	443,450,815	515,896,619
Cash on hand	797,028	1,735,278	25,135,435	24,523,463
	<u>117,130,410</u>	<u>115,478,282</u>	<u>468,586,250</u>	<u>540,420,082</u>
25 Premium capital			<u>Company and Group</u>	
			<u>31.12.2021</u>	<u>31.12.2020</u>
			G\$	G\$
Policies entitled to profit 2021			-	6,316,460
Policies entitled to profit 2022			-	4,794,530
Policies entitled to profit 2023			-	2,074,117
Policies entitled to profit 2024			1,983,207	-
			<u>1,983,207</u>	<u>13,185,107</u>
26 Capital reserve			<u>Company and Group</u>	
			<u>31.12.2021</u>	<u>31.12.2020</u>
			G\$	G\$
At beginning	711,670,443	651,396,183	843,119,299	782,845,039
Revaluation of land and building	-	60,274,260	-	60,274,260
At end	<u>711,670,443</u>	<u>711,670,443</u>	<u>843,119,299</u>	<u>843,119,299</u>

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



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27 General reserve

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
At beginning	2,520,697,215	2,340,548,886	3,247,517,709	2,964,076,258
Total comprehensive income for the year	661,970,944	180,148,329	1,073,664,295	295,936,920
Adjustment -to NCI due to sale of shares in HIHI	-	-	-	1,087
Transfer to statutory reserve	-	-	(44,034,242)	(12,496,556)
At end	<u>3,182,668,159</u>	<u>2,520,697,215</u>	<u>4,277,147,762</u>	<u>3,247,517,709</u>

28 Capital redemption reserve

	Company and Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
Ordinary scrip redeemed	600,000	600,000
Preference scrip redeemed	908,452	908,452
	<u>1,508,452</u>	<u>1,508,452</u>

29 Risk reserve

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
At beginning	178,536,079	97,833,778
Total Comprehensive income for the year	-	-
Transfer to/ from general reserve	20,155,279	80,702,301
At end	<u>198,691,358</u>	<u>178,536,079</u>

30 Provision for unexpired risks

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Balance at beginning	633,101,741	649,741,674	702,163,559	725,379,061
Movement recorded in income statement	47,315,894	(16,639,933)	45,876,301	(23,215,502)
Balance at end	<u>680,417,635</u>	<u>633,101,741</u>	<u>748,039,860</u>	<u>702,163,559</u>



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31 Triennial profit

	Company and Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
Triennial cash profit	<u>1,752,500</u>	<u>1,770,613</u>

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

32 Non - controlling interest

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
At beginning	675,905,529	617,032,001
Total comprehensive income for the year	141,212,952	40,015,171
Dividend paid	(986,430)	-
Transfer from risk reserve	5,573,100	22,314,844
Adjustment -to NCI due to sale of shares in HIH Investment Inc.	-	(1,087)
Transfer to statutory reserve	<u>(12,175,823)</u>	<u>(3,455,400)</u>
At end	<u>809,529,328</u>	<u>675,905,529</u>

33 Loan from Hand in Hand Mutual Life Assurance Company Limited

	Company & Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
At beginning	585,800,708	421,955,052
Additions	350,000,000	260,000,000
Repayment	<u>(102,084,936)</u>	<u>(96,154,344)</u>
At end	<u>833,715,772</u>	<u>585,800,708</u>
Short term	108,381,311	102,084,925
Medium term	<u>725,334,461</u>	<u>483,715,783</u>
	<u>833,715,772</u>	<u>585,800,708</u>

Loan from related parties at a rate of interest of 6% per annum.

This is secured by unallocated portion of property situated at 1 - 4 Avenue of the Republic, Lacytown, Georgetown.

34 Reserve fund

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
At beginning	279,347,504	263,395,548
Transfer from retained earnings	<u>56,210,065</u>	<u>15,951,956</u>
At end	<u>335,557,569</u>	<u>279,347,504</u>

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.



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35 Customers' deposits

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
Fixed	6,952,685,049	6,706,977,142
Savings	<u>1,713,075,724</u>	<u>1,698,080,957</u>
	<u>8,665,760,773</u>	<u>8,405,058,099</u>
Customers' deposits - by maturity		
Fixed - within one year	6,325,499,181	6,693,561,487
Savings - on demand	<u>1,713,075,724</u>	<u>1,698,080,957</u>
	8,038,574,905	8,391,642,444
Fixed - over one year	<u>627,185,868</u>	<u>13,415,655</u>
	<u>8,665,760,773</u>	<u>8,405,058,099</u>

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%

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
36 Policyholders' liabilities		
At 31 December	<u>940,326</u>	<u>940,326</u>

Policyholders' liabilities represents unclaimed payments to Life Policyholders and is held in a Trust Deed with Republic Bank Guyana Limited. The Life Portfolio is fully wound up as at December 31, 2019.



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37 Claims admitted or intimated but not paid

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Fire	78,627,441	54,471,410	78,631,812	55,937,195
Marine	904,157	-	904,157	-
Accident and liabilities	84,906,880	87,752,566	84,906,880	87,752,566
Auto	106,257,888	103,626,320	129,285,538	127,071,294
	<u>270,696,366</u>	<u>245,850,296</u>	<u>293,728,387</u>	<u>270,761,055</u>

38 Payables and accrued expenses

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Other payables	142,556,462	198,852,167	398,203,923	372,009,972
Accruals	7,601,314	48,499,840	19,505,177	59,181,986
	<u>150,157,776</u>	<u>247,352,007</u>	<u>417,709,100</u>	<u>431,191,958</u>

39 Bank overdraft

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Republic Bank (Guyana) Limited	58,039,214	143,273,957	58,039,214	143,273,957
Bank of Nova Scotia (unsecured)	14,560,783	15,165,700	14,560,783	15,165,700
Citizens Bank Guyana Inc. (unsecured)	-	5,576,544	54,536,920	5,576,544
	<u>72,599,997</u>	<u>164,016,201</u>	<u>127,136,917</u>	<u>164,016,201</u>
Interest rate	<u>11.0%</u>	<u>11.0%</u>	<u>11.0%</u>	<u>11.0%</u>

40 Lease liability

	Company		Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$	G\$	G\$
Opening balance	137,191,698	38,878,485	217,382,056	142,831,654
Initial recognition of right-of-use assets	-	128,679,721	-	128,679,721
Principal payment	(10,188,498)	(30,366,508)	(35,377,076)	(54,129,319)
As at year end	<u>127,003,200</u>	<u>137,191,698</u>	<u>182,004,980</u>	<u>217,382,056</u>
Current	10,234,576	9,655,261	36,934,469	34,843,839
Non-current	116,768,624	127,536,437	145,070,511	182,538,217
	<u>127,003,200</u>	<u>137,191,698</u>	<u>182,004,980</u>	<u>217,382,056</u>



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40 Lease liability - cont'd

D' Edwards

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.

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.



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41 Goodwill

In accordance with IFRS 3 - Business combinations, goodwill for impairment at 31 December, 2021 was calculated using the value in use method.

	Group	
	<u>31.12.2021</u>	<u>31.12.2020</u>
	G\$	G\$
Balance at beginning and at end	<u>157,582,464</u>	<u>157,582,464</u>
Goodwill at cost	161,623,040	161,623,040
Accumulated impairment/ amortisation	<u>4,040,576</u>	<u>4,040,576</u>
	<u>157,582,464</u>	<u>157,582,464</u>

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.

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

	<u>Hand in Hand Trust Corporation Inc.</u>
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%

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.



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42 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		Group	
	31.12.2021 G\$	31.12.2020 G\$	31.12.2021 G\$	31.12.2020 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	-	-
	<u>18,000,000</u>	<u>18,000,000</u>	<u>-</u>	<u>-</u>
Premiums paid by:				
Hand In Hand Trust Corporation Inc.	6,250,000	6,376,118	-	-
GCIS Inc.	24,465,190	21,876,776	-	-
	<u>30,715,190</u>	<u>28,252,894</u>	<u>-</u>	<u>-</u>
Commission paid to:				
GCIS Inc.	6,116,298	5,469,194	-	-

(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 The Hand in Hand Mutual Fire Insurance Company Limited were utilised by the Hand in Hand Mutual Life Assurance Company Limited.

	Company		Group	
	31.12.2021 G\$	31.12.2020 G\$	31.12.2021 G\$	31.12.2020 G\$
Fees charged	<u>104,055,928</u>	<u>86,409,736</u>	<u>104,055,928</u>	<u>86,409,736</u>
Interest on loan from the Hand in Hand Mutual Life Assurance Company Limited.	<u>44,341,431</u>	<u>36,301,630</u>	<u>44,341,431</u>	<u>36,301,630</u>
Loans granted by the Hand in Hand Mutual Life Assurance Company Limited.	<u>833,715,772</u>	<u>585,800,708</u>	<u>833,715,772</u>	<u>585,800,708</u>

Key management personnel

(i) Compensation

The Company and Group's key management personnel comprises its Directors and Executive managers. The remuneration paid during the year were:

(a) Short term employee benefit - Managers - 37 (2020- 37)	<u>77,324,267</u>	<u>72,709,599</u>	<u>174,727,988</u>	<u>164,309,776</u>
(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	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Directors' emoluments - 9 (2020 - 9)	<u>13,189,494</u>	<u>13,050,852</u>	<u>19,734,306</u>	<u>19,660,330</u>
(ii) Loans and advances				
Staff - 77 (2020-107)	<u>550,019,323</u>	<u>446,326,973</u>	<u>693,615,584</u>	<u>588,457,414</u>
Director -	<u>-</u>	<u>-</u>	<u>131,233,114</u>	<u>56,421,044</u>
Rate of interest	<u>6 - 8%</u>	<u>6 - 8%</u>	<u>5 - 10%</u>	<u>5 - 10%</u>

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

USA Global Export Company Limited	<u>56,541,358</u>	<u>80,470,098</u>
Rate of interest	<u>10% p.a</u>	<u>10% p.a</u>
Stark Inc	<u>32,522,673</u>	<u>37,995,445</u>
Rate of interest	<u>8% p.a</u>	<u>8% p.a</u>
Keith Evelyn Investments Inc.	<u>59,681,459</u>	<u>59,681,459</u>
Rate of interest	<u>7.5% p.a</u>	<u>7.5% p.a</u>



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43 (a) Business Information

Company

	31.12.2021				
	<u>Fire</u> G\$	<u>Marine</u> G\$	<u>Accident and Liabilities</u> G\$	<u>Motor</u> G\$	<u>Total</u> G\$
Revenue					
Premium					
Less: Reinsurance premiums	634,107,730	13,023,935	160,144,748	476,444,805	1,283,721,218
Increase/(decrease) in unexpired risks	234,049,454	3,854,374	19,495,508	30,784,166	288,183,502
	<u>30,058,554</u>	<u>4,264,952</u>	<u>(4,016,915)</u>	<u>17,009,303</u>	<u>47,315,894</u>
Premium (net)	369,999,722	4,904,609	144,666,155	428,651,336	948,221,822
Investment income					
"Held for trading"	27,978,192	574,644	7,065,929	-	35,618,765
"Loans and receivables"	23,536,675	483,420	5,944,219	-	29,964,314
Other income	426,692,265	8,763,830	107,761,698	160,112,499	703,330,292
Management fees	14,138,824	290,397	3,570,779	-	18,000,000
Unclaimed TCP and others	952,631	19,566	240,588	788,489	2,001,274
Gain on exchange	<u>2,727,799</u>	<u>56,026</u>	<u>688,909</u>	<u>-</u>	<u>3,472,734</u>
	<u>866,026,108</u>	<u>15,092,492</u>	<u>269,938,277</u>	<u>589,552,324</u>	<u>1,740,609,201</u>
Deduct:					
Expenditure					
Commissions and allowances	100,809,555	2,070,527	25,459,587	23,958,251	152,297,920
Management expenses	351,623,382	7,221,991	88,802,951	292,997,430	740,645,754
Claims (net)	96,935,692	2,254,157	8,438,669	119,325,259	226,953,777
Triennial cash profit	1,770,613	-	-	-	1,770,613
Property tax	20,977,645	-	-	-	20,977,645
Taxation	<u>(52,837,123)</u>	<u>-</u>	<u>-</u>	<u>49,684</u>	<u>(52,787,439)</u>
	<u>519,279,764</u>	<u>11,546,675</u>	<u>122,701,207</u>	<u>436,330,624</u>	<u>1,089,858,270</u>
Surplus of revenue over expenditure	<u>346,746,344</u>	<u>3,545,817</u>	<u>147,237,070</u>	<u>153,221,700</u>	<u>650,750,931</u>
	<u>Fire</u> G\$	<u>Marine</u> G\$	<u>Accident & liabilities</u> G\$	<u>Motor</u> G\$	<u>Total</u> G\$
ASSETS	<u>4,248,951,082</u>	<u>154,181,835</u>	<u>1,371,467,629</u>	<u>812,147,150</u>	<u>6,586,747,696</u>
LIABILITIES	<u>1,701,973,060</u>	<u>61,759,555</u>	<u>549,359,339</u>	<u>374,072,981</u>	<u>2,687,164,935</u>



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43 (b) Business Information

Company

	31.12.2020				
	<u>Fire</u>	<u>Marine</u>	<u>Accident and Liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Revenue					
Premium					
Less: Reinsurance premiums	641,725,307	5,736,586	164,974,792	444,370,947	1,256,807,632
Increase/(decrease) in unexpired risks	180,874,198	5,310,817	19,737,404	34,613,229	240,535,648
	<u>7,229,714</u>	<u>(2,036,274)</u>	<u>(48,802)</u>	<u>(21,784,571)</u>	<u>(16,639,933)</u>
Premium (net)	453,621,395	2,462,043	145,286,190	431,542,289	1,032,911,917
Investment income					
"Held for trading"	27,869,102	249,131	7,164,591	-	35,282,824
"Loans and receivables"	20,618,815	184,318	5,300,687	-	26,103,820
Other income	62,796,292	561,356	16,143,675	21,979,365	101,480,688
Management fees	14,217,792	127,097	3,655,111	-	18,000,000
Unclaimed TCP and others	<u>1,440,210</u>	<u>12,875</u>	<u>370,250</u>	<u>654,190</u>	<u>2,477,525</u>
	<u>580,563,606</u>	<u>3,596,820</u>	<u>177,920,504</u>	<u>454,175,844</u>	<u>1,216,256,774</u>
Deduct:					
Expenditure					
Commissions and allowances	108,246,533	967,650	27,828,027	22,450,447	159,492,657
Management expenses	371,005,204	3,316,533	95,378,047	250,464,035	720,163,819
Claims (net)	56,507,796	(1,230,042)	(19,823,122)	71,708,645	107,163,277
Triennial cash profit	2,234,949	-	-	-	2,234,949
Property tax	16,448,429	-	-	-	16,448,429
Taxation	<u>54,654,946</u>	<u>-</u>	<u>-</u>	<u>52,580</u>	<u>54,707,526</u>
	<u>609,097,857</u>	<u>3,054,141</u>	<u>103,382,952</u>	<u>344,675,707</u>	<u>1,060,210,657</u>
Surplus of revenue over expenditure	<u>(28,534,251)</u>	<u>542,679</u>	<u>74,537,552</u>	<u>109,500,137</u>	<u>156,046,117</u>
	<u>Fire</u>	<u>Marine</u>	<u>Accident & Liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
ASSETS	<u>3,585,582,678</u>	<u>135,951,181</u>	<u>1,467,442,520</u>	<u>672,511,923</u>	<u>5,861,488,302</u>
LIABILITIES	<u>1,507,309,872</u>	<u>55,085,916</u>	<u>682,344,052</u>	<u>367,916,632</u>	<u>2,612,656,472</u>



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43 (c) Segmented information

Group	31.12.2021							
	Fire G\$	Marine G\$	Accident and Liabilities G\$	Motor G\$	Trust G\$	Hand in Hand Investments Inc. G\$	Taxation G\$	Total G\$
Revenue								
Premium	659,541,442	13,023,935	160,144,748	616,625,730	-	-	-	1,449,335,855
Less: Reinsurance premiums	233,783,784	3,854,374	19,495,508	42,329,922	-	-	-	299,463,588
Increase/(decrease) in unexpired risks	29,705,219	4,264,952	(4,016,915)	15,923,045	-	-	-	45,876,301
Net premiums	396,052,439	4,904,609	144,666,155	558,372,763	-	-	-	1,103,995,966
Investment income								
"Held to collect"	-	-	-	-	39,623,069	-	-	39,623,069
"Held for trading"	27,904,314	574,644	7,065,929	4,730,254	32,505,335	-	-	72,780,476
"Loans and receivables"	23,536,676	483,420	5,944,219	-	701,115,602	-	-	731,079,917
Other income	471,292,267	8,763,830	107,761,697	278,568,109	376,680,099	-	-	1,243,066,002
Unclaimed TCP and others	952,631	19,566	240,588	788,489	-	-	-	2,001,274
Gain on disposal of investments "Held for trading"	-	-	-	-	50,281,838	-	-	50,281,838
Gain on exchange	2,727,799	56,026	688,909	-	3,614,613	-	-	7,087,347
Deduct: expenditure	922,466,126	14,802,095	266,367,497	842,459,615	1,203,820,556	-	-	3,249,915,889
Commissions and allowance	101,077,940	2,070,527	25,459,587	26,477,309	-	-	-	155,085,363
Management expenses	353,010,713	7,221,991	88,802,951	383,740,386	585,953,679	-	-	1,418,729,720
Interest	-	-	-	-	185,843,251	-	-	185,843,251
Claims (net)	97,803,422	2,254,157	8,438,669	134,988,509	-	-	-	243,484,757
Tricennial cash profit	1,770,613	-	-	-	-	-	-	1,770,613
Property tax	-	-	-	-	-	-	41,921,669	41,921,669
Taxation	-	-	-	-	-	-	(576,718)	(576,718)
Surplus/(deficit) of revenue over expenditure before actuarial adjustment and non-controlling interest	553,662,688	11,546,675	122,701,207	545,206,204	771,796,930	-	41,344,951	2,046,258,655
Less: Non controlling interest	368,803,438	3,255,420	143,666,290	297,253,411	432,023,626	-	(41,344,951)	1,203,657,234
Surplus/(deficit) of revenue over expenditure after non-controlling interest	184,859,250	8,291,255	78,034,917	247,952,793	339,773,304	-	-	842,601,421
ASSETS	4,033,503,347	132,258,378	1,176,455,600	1,775,405,869	11,371,905,533	690,200	-	18,490,218,927
LIABILITIES	1,774,535,498	62,001,062	551,631,609	581,872,755	9,050,848,528	40,000	-	12,020,929,452



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43 (d) Segmented information

Group	31.12.2020							
	Fire G\$	Marine G\$	Accident and Liabilities G\$	Motor G\$	Trust G\$	Hand in Hand Investments Inc. G\$	Taxation G\$	Total G\$ Restated
Revenue								
Premium	608,003,219	5,736,586	164,974,792	648,652,759	-	-	-	1,427,367,356
Less: Reinsurance premiums	193,627,328	5,310,817	19,737,404	34,613,229	-	-	-	253,288,778
Increase/(decrease) in unexpired risks	6,568,845	(2,036,274)	(48,802)	(27,699,271)	-	-	-	(23,215,502)
Net premiums	407,807,046	2,462,043	145,286,190	641,738,801	-	-	-	1,197,294,080
Investment income	-	-	-	-	62,489,208	-	-	62,489,208
"Held to collect"	-	-	-	-	26,581,329	-	-	67,888,905
"Held for trading"	29,553,655	249,131	7,164,591	4,340,199	658,903,927	-	-	685,007,747
"Loans and receivables"	20,618,815	184,318	5,300,687	-	91,125,025	-	-	237,313,250
Other income	75,296,759	561,356	16,143,675	54,186,435	-	-	-	2,477,525
Unclaimed TCP and others	1,440,210	12,875	370,250	654,190	-	-	-	2,477,525
Deduct: expenditure	534,716,485	3,469,723	174,265,393	700,919,625	839,099,489	-	-	2,252,470,715
Commissions and allowance	110,031,863	967,650	27,828,027	25,366,482	-	-	-	164,194,022
Management expenses	371,769,053	3,316,533	95,378,047	336,444,033	534,918,814	-	-	1,341,826,480
Interest	-	-	-	-	184,504,139	-	-	184,504,139
Claims (net)	56,639,155	(1,230,042)	(19,823,122)	104,677,273	-	-	-	140,263,264
Triennial cash profit	2,234,949	-	-	-	-	-	-	2,234,949
Property tax	-	-	-	-	-	-	33,886,544	33,886,544
Taxation	-	-	-	-	-	-	73,711,438	73,711,438
	540,675,020	3,054,141	103,382,952	466,487,788	719,422,953	-	107,597,982	1,940,620,836
Surplus/(deficit) of revenue over expenditure before actuarial adjustment and non-controlling interest	(5,958,535)	415,582	70,882,441	234,431,837	119,676,536	-	(107,597,982)	311,849,879
Less: Non controlling interest	5,458,049	-	-	11,521,122	23,036,000	-	-	40,015,171
Surplus/(deficit) of revenue over expenditure after non-controlling interest	(11,416,584)	415,582	70,882,441	222,910,715	96,640,536	-	(107,597,982)	271,834,708
ASSETS	3,313,314,150	114,135,740	1,273,391,315	1,525,335,691	10,558,998,102	152,610	-	16,785,327,608
LIABILITIES	1,580,986,731	55,327,422	684,616,321	584,651,514	8,638,815,528	40,000	-	11,544,437,316



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44 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.

(ii) Interest rate risk

The Company and Group are exposed to interest rate risk but the Company and Group's sensitivity to interest rate risk is immaterial as its financial instruments are substantially at fixed rates. The Company and Group's exposures to interest rate risk on financial assets and financial liabilities are listed overleaf.



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

	Interest rate %	Maturing 31.12.2021				Total G\$
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Company						
Assets						
Investments						
"Held for trading"	-	-	-	-	2,389,886,435	2,389,886,435
"Loans and receivables"	4.00-18.50	-	7,485,134	-	-	7,485,134
Receivables and prepayments	6.00	-	644,125,444	-	173,612,047	817,737,491
Interest accrued	-	-	-	-	10,184,976	10,184,976
Taxes recoverable	-	-	-	-	137,947,673	137,947,673
Cash on deposits	0.21-11.07	368,384,767	-	-	-	368,384,767
Cash at banks and on hand	-	-	-	-	117,130,410	117,130,410
		<u>368,384,767</u>	<u>651,610,578</u>	<u>-</u>	<u>2,828,761,541</u>	<u>3,848,756,886</u>
Liabilities						
Provision for unexpired risks	-	-	-	-	680,417,635	680,417,635
Medium term borrowings	6.00	-	725,334,461	-	-	725,334,461
Lease liability	6.00	10,779,808	25,159,530	91,063,862	-	127,003,200
Short term borrowings	6.00	108,381,311	-	-	-	108,381,311
Claims admitted or intimated but not paid	-	-	-	-	270,696,366	270,696,366
Payables and accrued expenses	-	-	-	-	150,157,776	150,157,776
Taxes payable	-	-	-	-	78,127,227	78,127,227
Bank overdraft	11.00	72,599,997	-	-	-	72,599,997
		<u>191,761,116</u>	<u>750,493,991</u>	<u>91,063,862</u>	<u>1,179,399,004</u>	<u>2,212,717,973</u>
Interest sensitivity gap		<u>176,623,651</u>	<u>(98,883,413)</u>	<u>(91,063,862)</u>		

	Average rate %	Maturing 31.12.2020				Total G\$
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Company						
Assets						
Investments						
"Held for trading"	-	-	-	-	1,700,003,818	1,700,003,818
"Loans and receivables"	4.00-18.50	-	9,309,133	-	-	9,309,133
Receivables and prepayments	6.00	-	532,757,012	-	318,945,709	851,702,721
Interest accrued	-	-	-	-	16,754,016	16,754,016
Taxes recoverable	-	-	-	-	132,596,437	132,596,437
Cash on deposits	0.21-11.07	356,682,448	-	-	-	356,682,448
Cash at banks and on hand	-	-	-	-	115,478,282	115,478,282
		<u>356,682,448</u>	<u>542,066,145</u>	<u>-</u>	<u>2,283,778,262</u>	<u>3,182,526,855</u>
Liabilities						
Provision for unexpired risks	-	-	-	-	633,101,741	633,101,741
Medium term borrowings	6.00	-	483,715,783	-	-	483,715,783
Lease liability	6.00	9,655,261	4,329,117	123,207,320	-	137,191,698
Short term borrowings	6.00	102,084,925	-	-	-	102,084,925
Claims admitted or intimated but not paid	-	-	-	-	245,850,296	245,850,296
Payables and accrued expenses	-	-	-	-	247,352,007	247,352,007
Taxes payable	-	-	-	-	121,025,341	121,025,341
Bank overdraft	11.00	164,016,201	-	-	-	164,016,201
		<u>275,756,387</u>	<u>488,044,900</u>	<u>123,207,320</u>	<u>1,247,329,385</u>	<u>2,134,337,992</u>
Interest sensitivity gap		<u>80,926,061</u>	<u>54,021,245</u>	<u>(123,207,320)</u>		



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

Group	Interest rate %	Maturing 31.12.2021				Total G\$
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Assets						
Investments						
"Held to collect"	1.50-10.00	561,746,767	95,489,971	129,004,898	-	786,241,636
"Held for trading"	-	-	-	-	4,207,964,777	4,207,964,777
"Loans and receivables"	4.00-18.50	1,358,430,401	2,123,544,210	3,919,149,267	-	7,401,123,878
Statutory deposits	1.00-3.25	971,656,202	1,627,647	-	-	973,283,849
Receivables and prepayments	6.00	96,118,001	644,125,444	-	177,665,084	917,908,529
Interest accrued	-	-	-	-	17,474,689	17,474,689
Taxes recoverable	-	-	-	-	157,090,509	157,090,509
Cash on deposits	0.21-11.07	1,072,632,316	-	-	-	1,072,632,316
Cash at banks and on hand	-	-	-	-	468,586,250	468,586,250
		<u>4,060,583,687</u>	<u>2,864,787,272</u>	<u>4,048,154,165</u>	<u>5,028,781,309</u>	<u>16,002,306,433</u>
Liabilities						
Provision for unexpired risks	-	-	-	-	748,039,860	748,039,860
Medium term borrowings	6.00	-	725,334,461	-	-	725,334,461
Customers deposit - Savings	2.00	1,713,075,724	-	-	-	1,713,075,724
Customers deposit - Fixed deposit	1.35-5.00	6,325,499,181	627,185,868	-	-	6,952,685,049
Policyholders liabilities	-	-	-	-	940,326	940,326
Lease Liability	6.00	36,934,469	25,159,530	119,910,981	-	182,004,980
Short term borrowings	6.00	108,381,311	-	-	-	108,381,311
Claims admitted or intimated but not paid	-	-	-	-	293,728,387	293,728,387
Payables and accrued expenses	-	-	-	-	417,709,100	417,709,100
Taxes payable	-	-	-	-	138,436,003	138,436,003
Bank overdraft	11.00	127,136,917	-	-	-	127,136,917
		<u>8,311,027,602</u>	<u>1,377,679,859</u>	<u>119,910,981</u>	<u>1,598,853,676</u>	<u>11,407,472,118</u>
Interest sensitivity gap		<u>(4,250,443,915)</u>	<u>1,487,107,413</u>	<u>3,928,243,184</u>		

Group	Interest rate %	Maturing 31.12.2020				Total G\$
		Within 1 year G\$	1 to 5 years G\$	Over 5 years G\$	Non-interest bearing G\$	
Assets						
Investments						
"Held to collect"	1.50-10.00	285,259,830	329,147,883	384,195,500	-	998,603,213
"Held for trading"	-	-	-	-	3,396,985,477	3,396,985,477
"Loans and receivables"	4.00-18.50	1,121,579,101	1,700,175,111	4,045,503,273	-	6,867,257,485
Statutory deposits	1.00-3.25	909,409,264	1,609,879	-	-	911,019,143
Receivables and prepayments	6.00	61,727,193	531,951,592	-	329,242,239	922,921,024
Interest accrued	-	-	-	-	34,216,112	34,216,112
Taxes recoverable	-	-	-	-	151,739,273	151,739,273
Cash on deposits	0.21-11.07	558,212,166	-	-	-	558,212,166
Cash at banks and on hand	-	-	-	-	540,420,082	540,420,082
		<u>2,936,187,554</u>	<u>2,562,884,465</u>	<u>4,429,698,773</u>	<u>4,452,603,183</u>	<u>14,381,373,975</u>
Liabilities						
Provision for unexpired risks	-	-	-	-	702,163,559	702,163,559
Medium term borrowings	6.00	-	483,715,783	-	-	483,715,783
Customers deposit - Savings	2.00	1,698,080,957	-	-	-	1,698,080,957
Customers deposit - Fixed deposit	1.35-5.00	6,693,561,487	13,415,655	-	-	6,706,977,142
Policyholder Liabilities	-	-	-	-	940,326	940,326
Lease liabilities	6.00	34,843,839	4,329,117	178,209,100	-	217,382,056
Short term borrowings	6.00	102,084,925	-	-	-	102,084,925
Claims admitted or intimated but not paid	-	-	-	-	270,761,055	270,761,055
Payables and accrued expenses	-	-	-	-	431,191,958	431,191,958
Taxes payable	-	-	-	-	148,657,274	148,657,274
Bank overdraft	11.00	164,016,201	-	-	-	164,016,201
		<u>8,692,587,409</u>	<u>501,460,555</u>	<u>178,209,100</u>	<u>1,553,714,172</u>	<u>10,925,971,236</u>
Interest sensitivity gap		<u>(5,756,399,855)</u>	<u>2,061,423,910</u>	<u>4,251,489,673</u>		



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44 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	31.12.2021		
	US\$	Can\$	G\$ equivalent
Assets	1,479,248	830,653	428,867,997
	31.12.2020		
	US\$	Can\$	G\$ equivalent
Assets	1,174,349	692,375	345,246,125
	31.12.2021		
Group	US\$	Can\$	G\$ equivalent
	Assets	9,675,488	830,653
	31.12.2020		
	US\$	Can\$	G\$ equivalent
Assets	8,282,912	692,375	1,859,369,960

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 strengthened 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	
	31.12.2021		31.12.2021	
	US\$	Can\$	US\$	Can\$
	G\$M	G\$M	G\$M	G\$M
	impact	impact	impact	impact
Profit/(loss)	9.3	3.6	60.5	3.6
	Company		Group	
	31.12.2020		31.12.2020	
	US\$	Can\$	US\$	Can\$
	G\$M	G\$M	G\$M	G\$M
	impact	impact	impact	impact
Profit/(loss)	7.3	3.0	51.8	3.0



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Interest sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate at the end of the reporting period.

The sensitivity analysis includes only outstanding balances 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	
		<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
		G\$000	G\$000	G\$000	G\$000
Cash and cash equivalents					
Local currency	+/-50	1,657	1,041	1,598	2,626
Foreign currency	+/-50	185	164	185	164
Overdrafts					
Local currency	+/-50	363	820	636	820

Apart from the foregoing with respect to the other financial assets and liabilities, it was not possible to determine the expected impact of a reasonable possible change in interest rates on profit or equity as other factors such as credit risk, market risk, political and disaster risks can affect the value of assets and liabilities.



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44 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.

	Maturing 31.12. 2021				
	<u>On Demand</u>	<u>1 to 3 months</u>	<u>4 to 12 months</u>	<u>1 to 5 years</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Company					
Liabilities					
Provision for unexpired risks	680,417,635	-	-	-	680,417,635
Medium term borrowings	-	-	-	725,334,461	725,334,461
Lease liability	-	-	-	127,003,200	127,003,200
Short term borrowings	-	-	108,381,311	-	108,381,311
Claims admitted or intimated but not paid	270,696,366	-	-	-	270,696,366
Payables and accrued expenses	22,188,230	3,489,644	24,479,902	100,000,000	150,157,776
Taxes payable	-	-	78,127,227	-	78,127,227
Bank overdraft	72,599,997	-	-	-	72,599,997
	<u>1,045,902,228</u>	<u>3,489,644</u>	<u>210,988,440</u>	<u>952,337,661</u>	<u>2,212,717,973</u>

	Maturing 31.12. 2020				
	<u>On Demand</u>	<u>1 to 3 months</u>	<u>4 to 12 months</u>	<u>1 to 5 years</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Company					
Liabilities					
Provision for unexpired risks	633,101,741	-	-	-	633,101,741
Medium term borrowings	-	-	-	483,715,783	483,715,783
Lease liability	-	-	-	137,191,698	137,191,698
Short term borrowings	-	-	102,084,925	-	102,084,925
Claims admitted or intimated but not paid	245,850,296	-	-	-	245,850,296
Payables and accrued expenses	55,164,411	2,417,718	89,769,878	100,000,000	247,352,007
Taxes payable	-	-	121,025,341	-	121,025,341
Bank overdraft	164,016,201	-	-	-	164,016,201
	<u>1,098,132,649</u>	<u>2,417,718</u>	<u>312,880,144</u>	<u>720,907,481</u>	<u>2,134,337,992</u>



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44 Financial Risk Management - cont'd

(b) Liquidity risk - cont'd

	Maturing 31.12.2021					Total G\$
	<u>On Demand</u> G\$	<u>1 to 3 months</u> G\$	<u>4 to 12 months</u> G\$	<u>1 to 5 years</u> G\$	<u>Over 5 years</u> G\$	
Group						
Liabilities						
Provision for unexpired risks	748,039,860	-	-	-	-	748,039,860
Medium term borrowings	-	-	-	725,334,461	-	725,334,461
Customers deposit - Savings	1,713,075,724	-	-	-	-	1,713,075,724
Customers deposit - Fixed deposits	-	929,749,176	5,395,750,005	627,185,868	-	6,952,685,049
Policyholders' liabilities	940,326	-	-	-	-	940,326
Lease liability	-	-	-	182,004,980	-	182,004,980
Short term borrowings	-	-	108,381,311	-	-	108,381,311
Claims admitted or intimated but not paid	293,728,387	-	-	-	-	293,728,387
Payables and accrued expenses	60,314,739	3,489,644	31,342,735	322,561,982	-	417,709,100
Taxes payable	-	-	138,436,003	-	-	138,436,003
Bank overdraft	127,136,917	-	-	-	-	127,136,917
	<u>2,943,235,953</u>	<u>933,238,820</u>	<u>5,673,910,054</u>	<u>1,857,087,291</u>	<u>-</u>	<u>11,407,472,118</u>

	Maturing 31.12.2020					Total G\$
	<u>On Demand</u> G\$	<u>1 to 3 months</u> G\$	<u>4 to 12 months</u> G\$	<u>1 to 5 years</u> G\$	<u>Over 5 years</u> G\$	
Group						
Liabilities						
Provision for unexpired risks	702,163,559	-	-	-	-	702,163,559
Medium term borrowings	-	-	-	483,715,783	-	483,715,783
Customers deposit - Savings	1,698,080,957	-	-	-	-	1,698,080,957
Customers deposit - Fixed deposits	-	976,164,189	5,717,397,298	13,415,655	-	6,706,977,142
Policyholders' liabilities	940,326	-	-	-	-	940,326
Lease liability	-	-	-	217,382,056	-	217,382,056
Short term borrowings	-	-	102,084,925	-	-	102,084,925
Claims admitted or intimated but not paid	270,761,055	-	-	-	-	270,761,055
Payables and accrued expenses	100,045,525	2,417,718	89,769,878	238,958,837	-	431,191,958
Taxes payable	-	-	148,657,274	-	-	148,657,274
Bank overdraft	164,016,201	-	-	-	-	164,016,201
	<u>2,936,007,623</u>	<u>978,581,907</u>	<u>6,057,909,375</u>	<u>953,472,331</u>	<u>-</u>	<u>10,925,971,236</u>



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44 Financial Risk Management - cont'd

(c) Credit risk

Credit risk is the risk that a counterparty will default on its obligations resulting in financial loss to the company and group.

The table below shows the maximum exposure to credit risk:

	Maximum Exposure			
	Company		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	G\$	G\$	G\$	G\$
Investments				
"Held to collect"	-	-	786,241,636	998,603,213
"Held for trading"	2,389,886,435	1,700,003,818	4,207,964,777	3,396,985,477
"Loans and receivables"	7,485,134	9,309,133	7,401,123,878	6,867,257,485
Statutory deposits	-	-	973,283,849	911,019,143
Receivables (net of prepayments)	807,058,749	843,437,786	899,264,766	907,708,870
Interest accrued	10,184,976	16,754,016	17,474,689	34,216,112
Tax recoverable	137,947,673	-	157,090,509	151,739,273
Cash at banks	116,333,382	113,743,004	443,450,815	515,896,619
Cash on deposits	368,384,767	356,682,448	1,072,632,316	558,212,166
Total Credit risk	3,837,281,116	3,039,930,205	15,958,527,235	14,341,638,358

The Company and Group faces credit risk in respect of its cash and cash equivalents, investments 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.

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. Investments as reflected in the company and group are assets for which the likelihood of default is considered minimal by the Directors. The Group's credit risk on tax recoverable arises from advance corporation tax, which management believes will be recovered in the future from the authority. Receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis.

	Company		Group	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	G\$	G\$	G\$	G\$
Loans and receivables - (i)	7,485,134	9,309,133	7,401,123,878	6,867,257,485
Interest accrued - Note 22	10,184,976	16,754,016	17,474,689	34,216,112
Receivables (excluding prepayments) - Note 21	807,058,749	843,437,786	899,264,766	907,708,870
	824,728,859	869,500,935	8,317,863,333	7,809,182,467
Impairment on loans and receivables (IFRS 9)	17,410,638	13,613,981	107,459,982	105,976,283
Total provision for impairment	17,410,638	13,613,981	107,459,982	105,976,283

(i) The above balances are classified as follows:

Pass	791,650,260	861,130,957	6,376,409,208	5,761,599,246
Special Mention (Past due 30 - 89 days)	17,083,994	-	1,269,743,492	1,352,370,538
Sub-Standard (Past due 90 - 179 days)	4,956,778	2,083,701	270,579,238	123,202,123
Doubtful (Past due over - 180 days but less than 1 year)	5,842,995	6,286,277	324,140,499	257,338,808
Loss	5,194,832	-	76,990,896	314,671,752
	824,728,859	869,500,935	8,317,863,333	7,809,182,467
Included above are non-performing mortgages of:	-	-	579,012,863	773,728,505

(ii) As detailed in note 22, Interest accrued represents amounts due or accrued on the various investments of the Company and Group. These amounts would either be received in the new financial year, or would materialise on the maturity of the investment(s) in accordance with their terms and conditions.

(iii) Receivables comprise a number of advances, loans to staff and sales representatives on which interest is earned. It also includes amounts owing to the Company and Group by other organisations.



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45 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.

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.

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.

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. There are occasions where the provision is in excess of the incurred loss. This is adjusted at the time of claim settlement or at the point of revision of provisions, whichever is earlier. Similarly, there are times when the provision is insufficient to cover the losses estimated. These too are adjusted at the earlier of claims payment or overall claims revision.

Actuarial Valuation

The actuarial report carried out as at 31 December 2019 revealed that the aggregate amount of the life insurance policy liabilities in relation to its long term insurance business was \$940,326.



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46 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.

47 Insurance act 2016

The Insurance Act 2016 became effective in 2018. There are a number of areas under the Act and supporting Regulations addressing Corporate Governance, Statutory Funds and policies such as investments and related party, which the Company has not fully complied with at December 31, 2021.

Management has five years effective from 2018 in which to be fully compliant, as stipulated by the Bank of Guyana.

48 Pending litigations

As at 31 December 2021, there are several legal matters outstanding against the Group, the outcome of which cannot be determined at this stage.



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49 Development claims tables

INSURANCE CONTRACTS- COMPANY

Figures in Thousands

	<u>Before 2015</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Net estimate of cumulative claims cost									
Zero Year	116,298	451,601	589,162	313,557	297,171	345,854	195,958	250,299	
One year later	110,404	381,669	403,359	294,288	248,884	316,753	198,048	-	
Two years later	104,090	334,085	396,640	322,093	270,630	273,820	-	-	
Three years later	102,275	329,961	406,246	296,973	256,754	-	-	-	
Four years later	99,274	325,324	381,840	295,829	-	-	-	-	
Five years later	86,725	322,315	369,738	-	-	-	-	-	
Six years later	- 31,337	328,347	-	-	-	-	-	-	
Current estimate of cumulative claims cost	(31,337)	328,347	369,738	295,829	256,754	273,820	198,048	250,299	1,941,498
Less Cumulative payments	(56,684)	314,482	363,827	272,647	228,784	232,742	176,009	139,901	1,671,708
Outstanding claims	25,347	13,865	5,911	23,182	27,970	41,078	22,039	110,398	269,790
Outstanding claims 2015 and prior									-
Total net outstanding claims									269,790

INSURANCE CONTRACTS- GROUP

Figures in Thousands

	<u>Before 2015</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Net estimate of cumulative claims cost									
Zero Year	136,590	548,587	698,242	402,590	359,047	412,992	269,701	269,460	
One year later	129,441	473,073	517,394	380,182	311,889	382,564	275,129	-	
Two years later	120,551	423,194	510,675	411,539	330,258	336,513	-	-	
Three years later	118,628	418,284	519,711	380,326	313,833	-	-	-	
Four years later	115,627	413,834	494,315	376,902	-	-	-	-	
Five years later	103,071	410,575	482,213	-	-	-	-	-	
Six years later	- 10,506	416,607	-	-	-	-	-	-	
Current estimate of cumulative claims cost	(10,506)	416,607	482,213	376,902	313,833	336,513	275,129	269,460	2,460,151
Less Cumulative payments	(40,338)	402,742	476,302	353,620	285,863	293,677	246,742	149,720	2,168,328
Outstanding claims	29,832	13,865	5,911	23,282	27,970	42,836	28,387	119,740	291,823
Outstanding claims 2015 and prior									-
Total net outstanding claims									291,823

50 Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2022



**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 heads 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, 2021.

CONSOLIDATION

The Consolidated Financial Statements incorporate the Financial Statements of GCIS Incorporated, Hand-in-Hand Trust Corporation Inc. and Hand-in-Hand Investments Inc. in which The Hand-in-Hand Mutual Fire Insurance Company Limited owns 66.7%, 72% and 40% at 31 December, 2021 respectively of the Issued Share Capitals.