

GCIS INCORPORATED

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



25th

ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2022

GCIS INCORPORATED

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

NOTICE OF MEETING

The Twenty Fifth Annual General Meeting of Members of GCIS Incorporated will be held at the Company's Offices, Lot 47 Main Street, Georgetown, on Monday, 17 April 2023, at 10:00 hours for the following purposes:-

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended 31 December 2022 and the Report of the Auditors thereon.
2. To approve the declaration of a dividend as recommended by the Directors.
3. Election of Directors.
4. Election of Auditors.
5. To fix the remuneration of the Directors.
6. To fix the remuneration of the Auditors.
7. Any other business which may properly be brought before the meeting.

BY ORDER OF THE BOARD

M. Pierre

Margaret Pierre
Company Secretary
47 Main Street
Georgetown, Guyana

27 March 2023

GCIS INCORPORATED

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

HEAD OFFICE

47 Main Street
Georgetown, Guyana.

Website: www.hihgy.com/gcis

Email: gcismotor@hihgy.com
gcisfire@hihgy.com

Telephone: 225-9153
Whatsapp: 649-9636

Fax: 227-0049

P.O. Box: 10889

DIRECTORS

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

- Chairman

T.A. PARRIS, B.A. (Econs.), M.A. (Econs. & Ed.)

- Deputy Chairman

J.G. CARPENTER, A.A., B.Sc.

K. EVELYN, B.A (Hons.) Sheff.Hallam, B.Sc. UMIST.,
M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S.,
Chartered Insurer, Chartered Banker

R. ROWE, B.A, LL.B, L.E.C

GCIS INCORPORATED

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

MANAGEMENT:

- Group Executive Director - Keith Evelyn, B.A (Hons.) Sheff.Hallam, B.Sc. UMIST., M.B.A. Liv., A.C.I.B., F.C.I.I., M.C.I.B.S., Chartered Insurer, Chartered Banker
- Managing Director - Omadatt Singh, B.Sc. (Hons.), M.B.A., F.C.C.A., C.P.A. - C.G.A., C.P.C.U.
- Manager - Mary Nagasar, Dip.B.M.A., Grad. Dip. Mgt., M.B.A.
- Finance Controller - Compton Ramnaraine, M.A.A.T., A.I.C.B., A.C.C.A.,
- Human Resource Manager - Zaida Joaquin, A.A., Dip.P.M., F.L.M.I., A.C.S., A.I.R.C., A.I.A.A., A.R.A.
- Chief Internal Auditor/
Business Analyst - Ronald Stanley, M. Sc., F.C.C.A., C.P.C.U.
- Investment Analyst/
Chief Risk Officer - Kin Sue, B. Sc. (Hons.), M. Sc., M.C.S.I.
- Operations Manager/
Company Secretary - Margaret Pierre
- Accountant/Compliance Officer
Assistant Company Secretary - Shanti Singh

AUDITORS: - TSD LAL & Company.
Chartered Accountants

ATTORNEY- AT- LAW: - Paul S. Braam, LL.B., L.E.C

BANKERS: - Republic Bank (Guyana) Limited
Bank of Nova Scotia
Citizens Bank (Guyana) Incorporated
Bank of Baroda (Guyana) Incorporated

GCIS INCORPORATED

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

BRANCH OFFICES:

| | | |
|----------------|---------------------|--|
| BERBICE: | 1) NEW AMSTERDAM | Lots 15 & 16B New Street, New Amsterdam, Berbice. |
| | 2) CORRIVERTON | Lot 101 Ramjohn Square, No. 78 Village Corriverton, Berbice. |
| | 3) D'EDWARD VILLAGE | Plot 'A' Public Road, D'Edward Village, West Bank Berbice. |
| | 4) ROSEHALL | 45'A' Public Road, Rosehall Town, Corentyne. |
| | 5) BUSH LOT | Lot 4 Section 'C', Bush Lot Public Road West Coast, Berbice. |
| MON REPOS: | | 30 Track 'A', Mon Repos, East Coast, Demerara. |
| DIAMOND: | | G3 Mall Lot 'M', Great Diamond, East Bank, Demerara. |
| 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: | | 45 First Avenue, Bartica. Essequibo. |
| ESSEQUIBO: | | Doobay's Complex, Lot 18 Cotton Field, Essequibo Coast. |
| SOESDYKE: | | Shawnee Service Station Block X, Soesdyke, East Bank, Demerara. |
| ENMORE: | | Enmore Mall, Block #4, Apt #5, Enmore Public Road, East Coast Demerara. |

GCIS INCORPORATED

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

REVIEW OF THE REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022 BY THE CHAIRMAN MR. P. A. CHAN-A-SUE

Welcome

Ladies and Gentlemen, it is with pleasure that I welcome you to our Company's Twenty Fifth Annual General Meeting. I am pleased to report on the annual performance of GCIS Incorporated for the year ended 31 December, 2022.

Economic Review

The global economy was confronted with many challenges over the past year. Whilst most of the world emerged from the COVID-19 Pandemic, the effects of it continue, as is evident in the disruptions of supply internationally and locally. The Russian invasion of Ukraine saw further shortfall in supply and higher crude oil prices, triggering increased transportation and communication cost.

Guyana's economy continued to benefit from growth in its oil and gas sector. The country recorded overall real Gross Domestic Product (GDP) growth of 62.3 percent and non-oil GDP growth of 11.5 percent. The significant growth of real GDP was on account of increased oil production. The Urban Consumer Price Index recorded an inflation of 4.9 percent, reflective of higher food prices.

Projection for 2023 for overall real GDP is expected to grow by 25.1 percent, the Oil and Gas subsector to grow by 35.6 percent and Non-Oil economy to grow by 7.9 percent.

The Company achieved a surplus of G\$15.4 million for the year compared with G\$27.3 million in 2021. This was mainly due to an increase of 60.6 percent in Claims for the year.

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

Operations

During the year the company underwrote 37 New Fire Policies with Sums Insured of G\$603.1 million, yielding G\$1.8 million in annual premiums, and 456 New Motor Policies with Sums Insured of G\$440.7 million, yielding G\$24.2 million in annual premiums. Fire and Motor Renewals were 5,370 policies with a total Sum Insured of G\$23.1 billion yielding G\$145.1 million in Annual Premiums.

Claims

Claims Paid and Provided for after Recoveries were G\$26.5 million compared to G\$16.5 million in 2021.

GCIS INCORPORATED

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

**REVIEW OF THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022
BY THE CHAIRMAN MR. P. A. CHAN-A-SUE**

Investments

Investments increased by 19.6 percent from G\$744.9 million in 2021 to G\$890.6 million at the end of 2022. This is attributed to the Fair Value adjustment on the market values of investments.

Taxation

The Company contributed G\$6.6 million by way of taxation to the general revenue of the country.

Staff

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

Insurance Regulation

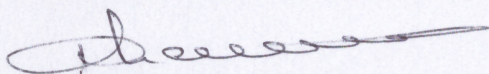
The Insurance Act 2016 came into effect in 2018; and the Company is in a high state of compliance. We continued to enhance our Corporate Governance Framework; implementing principles and policies in keeping with Best Practices.

Appreciation

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

I sincerely thank my fellow Directors, the Management team and Staff for their dedication, commitment and invaluable contribution during these challenging times.

Thank you.



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

GCIS INCORPORATED

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

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Members and Policyholders their Annual Report and Audited Financial Statements for the year ended 31 December, 2022.

1. Principal Activities

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

2. Operational Results

The Company's funds increased by G\$15.4 million in 2022 as against \$27.3 million for the previous year.

3. General Insurance Business

During the year under review, the Company issued 493 policies insuring G\$1 billion, yielding annual premiums of G\$26 million. At the close of the year, there were 5,560 policies in force insuring G\$18.3 billion, with annualized premiums of G\$171.2 million. At the close of the previous year, there were 5,726 policies in force insuring G\$18.1 billion, with annualized premiums of G\$211.1 million.

4. Investments

Investments at the end of 2022 stood at G\$890.6 million as against G\$744.9 million the previous year. Certificates for securities held by the Company have been examined and verified by our Auditors.

5. Employee Relations

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

6. Directorate

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

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

GCIS INCORPORATED

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

REPORT OF THE DIRECTORS

7. Corporate Governance

GCIS Incorporated is fully committed to implementing effective Corporate Governance, based on the highest standards of integrity, transparency, and accountability.

The Directors apply principles of good governance by adopting policies and procedures for the better management of the Company.

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

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

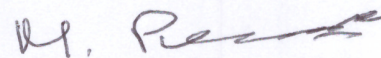
The committees established by the Board and their Chairpersons are:

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

8. Auditors

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

By Order of the Board



Margaret Pierre
Company Secretary

GCIS INCORPORATED

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of GCIS Incorporated, which comprise the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 12 to 41.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GCIS Incorporated as at 31 December 2022, 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information in the annual report

Management is responsible for the other information. The other information comprises all the information included in the Company's 2022 annual report but does not include the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Responsibilities of those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

GCIS INCORPORATED

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GCIS INCORPORATED
(SUBSIDIARY OF THE HAND-IN-HAND MUTUAL FIRE INSURANCE COMPANY LIMITED)
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Other Legal and Regulatory Requirements

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

TSD Lal & Co.

TSD LAL & CO.
Chartered Accountants

20 March 2023

77 Brickdam,
Stabroek,
Georgetown

GCIS INCORPORATED

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 | | 2021 | |
|--|-------|----------------|---------------------------|----------------|---------------------------|
| | | G\$ | G\$ | G\$ | G\$ |
| Revenue | | | | | |
| Premiums | 5 | | 160,162,642 | | 168,140,442 |
| Investment income | 6 | | 7,522,895 | | 6,631,051 |
| Other income | 7 | | <u>11,382,455</u> | | <u>10,038,083</u> |
| | | | 179,067,992 | | 184,809,576 |
| Expenditure | | | | | |
| Claims | 8 | 26,508,967 | | 16,530,980 | |
| Commissions | 9 | 8,325,235 | | 8,903,741 | |
| Management expenses | 10 | 121,246,114 | | 116,241,238 | |
| Property tax | 11 | 3,141,958 | | 3,029,173 | |
| Withholding tax | | <u>995,445</u> | | <u>975,888</u> | |
| | | | <u>160,217,719</u> | | <u>145,681,020</u> |
| Profit before taxation | | | 18,850,273 | | 39,128,556 |
| Taxation | 25 | | <u>(3,462,282)</u> | | <u>(11,859,825)</u> |
| Profit for the year | | | <u>15,387,991</u> | | <u>27,268,731</u> |
| Other comprehensive income | | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | | |
| Fair value adjustment on investments | 22 | | <u>145,652,792</u> | | <u>153,017,529</u> |
| Other comprehensive income net of tax | | | <u>145,652,792</u> | | <u>153,017,529</u> |
| Total comprehensive income for the year | | | <u><u>161,040,783</u></u> | | <u><u>180,286,260</u></u> |

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

GCIS INCORPORATED

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

| | <u>Note</u> | Share capital G\$ | Revaluation reserve G\$ | General reserve G\$ | Investment reserve G\$ | Total G\$ |
|---|-------------|--------------------------|-------------------------------|---------------------------|------------------------------|-----------------------------|
| Balance at 31 December 2020 | | 19,740,700 | 236,038,594 | 273,226,620 | 392,445,669 | 921,451,583 |
| Changes in equity for 2021 | | | | | | |
| Dividend paid | 35 | - | - | (2,961,105) | - | (2,961,105) |
| Total comprehensive income for the year | | - | - | 27,268,731 | 153,017,529 | 180,286,260 |
| Balance at 31 December 2021 | | <u>19,740,700</u> | <u>236,038,594</u> | <u>297,534,246</u> | <u>545,463,198</u> | <u>1,098,776,738</u> |
| Changes in equity for 2022 | | | | | | |
| Dividend paid | 35 | - | - | (2,961,105) | - | (2,961,105) |
| Total comprehensive income for the year | | - | - | 15,387,991 | 145,652,792 | 161,040,783 |
| Balance at 31 December 2022 | | <u><u>19,740,700</u></u> | <u><u>236,038,594</u></u> | <u><u>309,961,132</u></u> | <u><u>691,115,990</u></u> | <u><u>1,256,856,416</u></u> |

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

GCIS INCORPORATED

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

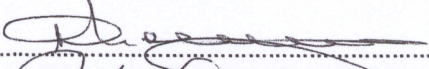
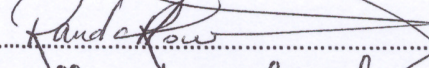
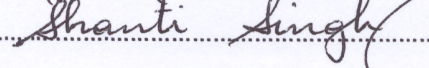
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

| | Notes | 2022 | 2021 |
|---|-------|-----------------------------|-----------------------------|
| | | G\$ | G\$ |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 350,181,415 | 353,113,861 |
| Investments | | | |
| "Available for sale" | 13 | 890,557,268 | 744,904,476 |
| | | <u>1,240,738,683</u> | <u>1,098,018,337</u> |
| Current assets | | | |
| Receivables and prepayments | 14 | 3,737,257 | 4,907,101 |
| Interest accrued | 15 | 2,908,748 | 2,953,515 |
| Stock of stationery | | 1,051,831 | 694,237 |
| Taxation | | 17,488,254 | 12,201,731 |
| Cash on deposits | 16 | 207,051,304 | 206,048,328 |
| Cash on hand and at bank | 17 | 50,310,762 | 47,725,243 |
| | | <u>282,548,156</u> | <u>274,530,155</u> |
| TOTAL ASSETS | | <u><u>1,523,286,839</u></u> | <u><u>1,372,548,492</u></u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Share capital | 18 | 19,740,700 | 19,740,700 |
| Revaluation reserve | 19 | 236,038,594 | 236,038,594 |
| General reserve | 19 | 309,961,132 | 297,534,246 |
| Investment reserve | 22 | 691,115,990 | 545,463,198 |
| | | <u>1,256,856,416</u> | <u>1,098,776,738</u> |
| Non-current liabilities | | | |
| Policyholders' liabilities | 20 | 940,326 | 940,326 |
| Provision for unexpired risks | 21 | 63,230,892 | 67,622,225 |
| Deferred tax | 25 | 137,907,261 | 139,010,372 |
| | | <u>202,078,479</u> | <u>207,572,923</u> |
| Current liabilities | | | |
| Claims admitted or intimated but not paid | 23 | 20,859,850 | 23,032,021 |
| Payables and accrued expenses | 24 | 39,701,310 | 38,126,509 |
| Taxation | | 3,790,784 | 5,040,301 |
| | | <u>64,351,944</u> | <u>66,198,831</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>1,523,286,839</u></u> | <u><u>1,372,548,492</u></u> |

The financial statements were approved by the Board of Directors on 20 March 2023.

On behalf of the Board:

 Director
 Director
 Assistant Company Secretary

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

GCIS INCORPORATED

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

| | <u>2022</u> | <u>2021</u> |
|---|---------------------------|---------------------------|
| | G\$ | G\$ |
| Operating activities | | |
| Profit before taxation | 18,850,273 | 39,128,556 |
| Adjustment for - Provision for unexpired risks | (4,391,333) | (1,439,593) |
| Depreciation | 3,719,199 | 3,812,117 |
| Loss on disposal of assets | 10,210 | 95,233 |
| Withholding tax | 995,445 | 975,888 |
| Profit before working capital changes | <u>19,183,794</u> | <u>42,572,201</u> |
| Decrease in receivables and prepayments, interest accrued & stock of stationery | 857,017 | 5,273,775 |
| Decrease in claims admitted or intimated but not paid | (2,172,171) | (1,878,738) |
| Increase in payables and accrued expenses | <u>1,574,801</u> | <u>1,891,941</u> |
| Net cash generated from operations | 19,443,441 | 47,859,179 |
| Taxes paid/adjusted | <u>(12,096,878)</u> | <u>(21,956,540)</u> |
| Net cash inflow - Operating activities | <u>7,346,563</u> | <u>25,902,639</u> |
| Investing activities | | |
| Purchase of property, plant and equipment | <u>(796,963)</u> | <u>(1,267,220)</u> |
| Net cash outflow - Investing activities | <u>(796,963)</u> | <u>(1,267,220)</u> |
| Financing activities | | |
| Dividends paid | <u>(2,961,105)</u> | <u>(2,961,105)</u> |
| Net cash outflow - Financing activities | <u>(2,961,105)</u> | <u>(2,961,105)</u> |
| Net increase in cash and cash equivalents | 3,588,495 | 21,674,314 |
| Cash and cash equivalents at beginning of period | <u>253,773,571</u> | <u>232,099,257</u> |
| Cash and cash equivalents at end of period | <u><u>257,362,066</u></u> | <u><u>253,773,571</u></u> |
| Comprising: | | |
| Cash on deposits (Note 16) | 207,051,304 | 206,048,328 |
| Cash on hand and at bank (Note 17) | <u>50,310,762</u> | <u>47,725,243</u> |
| | <u><u>257,362,066</u></u> | <u><u>253,773,571</u></u> |

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

GCIS INCORPORATED

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

NOTES ON THE ACCOUNTS

1. Incorporation and activities

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

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

During the year the number of employees in the company was 20 (2021-20).

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 | |
| Amendments to IFRS 3: Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to IAS 16: Proceeds before intended use | 1 January 2022 |
| Amendments to IAS 37: Onerous Contracts – Cost of fulfilling a contract | 1 January 2022 |
| Annual Improvements 2018-2020 | 1 January 2022 |

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 | |
| IFRS 17 Insurance contracts | 1 January 2023 |
| Amendments to IAS 1 and IFRS Practice statement 2: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to IAS 8: Definition of Accounting Estimates | 1 January 2023 |
| Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to IAS 1: Presentation of financial statements on classification of liabilities | 1 January 2024 |

*The Company has not opted for early adoption.

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NOTES ON THE ACCOUNTS

2. New and amended standards and interpretations cont'd

Pronouncements effective in future periods available for early adoption cont'd

IFRS 17 Insurance contracts

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

In December 2021, the IASB amended IFRS 17 to add a transition option for a “classification overlay” to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

At the time of preparation of these financial statements, a reasonable estimate of the impact of the above is not known.

Amendments to IAS 8: Definition of Accounting Estimates

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.

3. Summary of significant accounting policies

(a) Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of land and buildings and “available for sale” investments and conform with International Financial Reporting Standards.

(b) Property, plant and equipment and depreciation

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

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

GCIS INCORPORATED

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

NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies cont'd

(b) Property, plant and equipment and depreciation cont'd

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

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

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

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

Impairment of tangible assets

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

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

(c) Foreign currencies

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

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies cont'd

(c) Foreign currencies cont'd

Gains and losses arising on retranslation are included in net surplus or deficit for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

(d) Provision for unexpired risks

The computation of the provision for unexpired risks is based 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.

(e) Management expenses

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

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

(f) Commissions and allowances

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

(g) Claims

Claims are made against the Company for losses incurred by its various policyholders. Management minimizes this expense by prudent underwriting of policies and efficient handling and settlement of claims. Management also minimizes this expense by reinsurance.

Claims that are reported but not paid are provided for in the accounts. A claim must be made immediately and then put in writing within 14 days according to the insurance contract.

(h) Investments

Income on variable return securities is dealt with on a cash basis, while income on fixed return securities is recognized as it is earned.

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(h) Investments – cont'd

Investments are recognized in the financial statements to comply with International Accounting Standards.

The Company's investments have been classified as "available for sale financial assets".

Available for Sale Investments

"Available for sale" investments are initially recognized at cost and adjusted to fair value at subsequent periods.

Gains or losses on "available for sale financial assets" are recognized through the statement of profit or loss and other comprehensive income until the asset is sold or otherwise disposed.

(i) Cash and cash equivalents

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

(j) Investment reserve

At each reporting date securities are valued using the current market rates prevailing on the Guyana Association of Securities Companies and Intermediaries Inc. (GASCI) and at Directors' valuation. The surplus or deficit is transferred to the investment reserve account.

(k) Reserves

General reserve

This represents the accumulated surplus or losses of the company.

Revaluation reserve

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

(l) Taxation

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

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(l) Taxation cont'd

Income Tax

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

Deferred Tax

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

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

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

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

(m) 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.

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NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(n) 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.

(o) Financial instruments

Financial assets and liabilities are recognized on the statement of financial position when the company becomes a party to the contractual provision of the instruments.

Cash and cash equivalents

See note 3(i)

Investments

See note 3(h)

Payables and accrued expenses

Payables and accrued expenses are measured at amortized cost.

Receivables and prepayments

Receivables and prepayments are measured at amortized cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized is based on management's evaluation of the collectability of the receivables.

De-recognition

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expired.

(p) Segment Reporting

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

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

3. Summary of significant accounting policies – cont'd

(q) Reinsurance

The company transfers some of its insurance risk to other insurers through reinsurance both locally and overseas. The reinsurers assume part of the risk and part of the premium originally by the company. Reinsurers reimburse the company for claims paid to policyholders according to various standing agreements reached. The company 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 company's reinsurance treaties. Reinsurance premium paid and reinsurance recoveries that are set-off against claims are accounted for in the statement of profit or loss and other comprehensive income.

Reinsurance recoveries on outstanding claims are shown net of claims admitted or intimated but not paid in the statement of financial position.

(r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

(s) Policyholders' liabilities

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

4. Critical accounting judgments and key sources of estimation uncertainty

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

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

4. Critical accounting judgments and key sources of estimation uncertainty – cont'd

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 other receivables

On a regular basis, management reviews receivables and other receivables to assess impairment. Based on 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 property, plant and equipment

Management reviews the estimated useful lives of property, plant, and equipment at the end of each year 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) Financial instruments

The estimated fair values of financial instruments have been determined using considerable judgment in interpreting market data and developing estimates. The estimates presented herein are not necessarily indicative of the amounts the company could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values.

(v) Ultimate liability arising from claims made under insurance contract

The ultimate liability arising from claims made under insurance contract is likely to be different from initial estimates. Both the timing of settlement and the ultimate liability are subject to uncertainty.

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

| | 2022 | | | 2021 | | |
|-------------------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | Fire G\$ | Motor G\$ | Total G\$ | Fire G\$ | Motor G\$ | Total G\$ |
| 5 Premiums | | | | | | |
| Gross premiums | 52,670,408 | 130,089,465 | 182,759,873 | 56,215,318 | 139,895,365 | 196,110,683 |
| Decrease in unexpired risks | 476,173 | 3,915,160 | 4,391,333 | 353,335 | 1,086,258 | 1,439,593 |
| Reinsurance premium | (21,845,043) | (10,895,804) | (32,740,847) | (24,199,520) | (11,545,756) | (35,745,276) |
| Reinsurance commission | 5,468,523 | 283,760 | 5,752,283 | 6,049,882 | 285,560 | 6,335,442 |
| | <u>36,770,061</u> | <u>123,392,581</u> | <u>160,162,642</u> | <u>38,419,015</u> | <u>129,721,427</u> | <u>168,140,442</u> |
| | | | | | <u>2022</u> G\$ | <u>2021</u> G\$ |
| 6 Investment income | | | | | | |
| "Available for sale" | | | | | | |
| Shares and stocks | | | | | <u>7,522,895</u> | <u>6,631,051</u> |
| 7 Other income | | | | | | |
| Cash on deposit | | | | | 6,582,455 | 4,938,083 |
| Rent | | | | | <u>4,800,000</u> | <u>5,100,000</u> |
| | | | | | <u>11,382,455</u> | <u>10,038,083</u> |
| | | | | | | |
| | 2022 | | | 2021 | | |
| | Fire G\$ | Motor G\$ | Total G\$ | Fire G\$ | Motor G\$ | Total G\$ |
| 8 Claims | | | | | | |
| Claims - net | <u>158,067</u> | <u>26,350,900</u> | <u>26,508,967</u> | <u>867,730</u> | <u>15,663,250</u> | <u>16,530,980</u> |
| Claims paid in financial year | 522,165 | 30,105,200 | 30,627,365 | 2,443,636 | 17,534,074 | 19,977,710 |
| Reinsurance | <u>(359,727)</u> | <u>(1,586,500)</u> | <u>(1,946,227)</u> | <u>(114,492)</u> | <u>(1,453,500)</u> | <u>(1,567,992)</u> |
| | <u>162,438</u> | <u>28,518,700</u> | <u>28,681,138</u> | <u>2,329,144</u> | <u>16,080,574</u> | <u>18,409,718</u> |

GCIS INCORPORATED

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

NOTES ON THE ACCOUNTS

| | <u>2022</u> | <u>2021</u> |
|--|--------------------|--------------------|
| | G\$ | G\$ |
| 9 Commissions | | |
| Fire | 6,223,210 | 6,384,683 |
| Motor | <u>2,102,025</u> | <u>2,519,058</u> |
| | <u>8,325,235</u> | <u>8,903,741</u> |
| | <u>2022</u> | <u>2021</u> |
| | G\$ | G\$ |
| 10 Management expenses | | |
| Operating expenses | 25,643,248 | 22,367,730 |
| Employment cost | 88,294,381 | 86,739,439 |
| Depreciation | 3,719,199 | 3,812,117 |
| Directors' emoluments (a) | 2,489,014 | 2,221,680 |
| Auditor's remuneration | <u>1,100,272</u> | <u>1,100,272</u> |
| | <u>121,246,114</u> | <u>116,241,238</u> |
| (a) C. R. Quintin (retired May 24, 2021) | - | 243,558 |
| P. A. Chan-A-Sue | 613,742 | 527,010 |
| J. G. Carpenter | 468,818 | 446,496 |
| T. A. Parris | 468,818 | 446,496 |
| R. Rowe (appointed May 1, 2021) | 468,818 | 297,664 |
| K. Evelyn (appointed June 1, 2021) | <u>468,818</u> | <u>260,456</u> |
| | <u>2,489,014</u> | <u>2,221,680</u> |
| | <u>2022</u> | <u>2021</u> |
| | G\$ | G\$ |
| 11 Property tax | | |
| General | <u>3,141,958</u> | <u>3,029,173</u> |

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NOTES ON THE ACCOUNTS

| | Furniture & equipment G\$ | Motor Vehicle G\$ | Land G\$ | Building G\$ | Total G\$ |
|---|---------------------------------|-------------------------|-------------|-----------------|--------------|
| 12 Property, plant and equipment | | | | | |
| Cost/valuation | | | | | |
| At 1 January 2021 | 21,554,642 | 4,425,000 | 255,600,000 | 97,700,000 | 379,279,642 |
| Additions | 1,267,220 | - | - | - | 1,267,220 |
| Disposals | (731,454) | - | - | - | (731,454) |
| At 31 December 2021 | 22,090,408 | 4,425,000 | 255,600,000 | 97,700,000 | 379,815,408 |
| Additions | 796,963 | - | - | - | 796,963 |
| Disposals | (127,990) | - | - | - | (127,990) |
| At 31 December 2022 | 22,759,381 | 4,425,000 | 255,600,000 | 97,700,000 | 380,484,381 |
| Comprising: | | | | | |
| Cost | 22,759,381 | 4,425,000 | 283,103 | 24,445,473 | 51,912,957 |
| Valuation | - | - | 255,316,897 | 73,254,527 | 328,571,424 |
| | 22,759,381 | 4,425,000 | 255,600,000 | 97,700,000 | 380,484,381 |
| Accumulated depreciation | | | | | |
| At 1 January 2021 | 16,821,272 | 3,773,379 | - | 2,931,000 | 23,525,651 |
| Charge for the year | 806,142 | 162,905 | - | 2,843,070 | 3,812,117 |
| Written back on disposals | (636,221) | - | - | - | (636,221) |
| At 31 December 2021 | 16,991,193 | 3,936,284 | - | 5,774,070 | 26,701,547 |
| Charge for the year | 839,242 | 122,179 | - | 2,757,778 | 3,719,199 |
| Written back on Disposal | (117,780) | - | - | - | (117,780) |
| At 31 December 2022 | 17,712,655 | 4,058,463 | - | 8,531,848 | 30,302,966 |
| Net book values: | | | | | |
| At 31 December 2021 | 5,099,215 | 488,716 | 255,600,000 | 91,925,930 | 353,113,861 |
| At 31 December 2022 | 5,046,726 | 366,537 | 255,600,000 | 89,168,152 | 350,181,415 |

(a) Refer to note 30 for fair value disclosures.

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

13 Investments

| | 2022 | | 2021 | |
|--------------------------------|-------------|-------------|-------------|-------------|
| | Fair value | Cost | Fair value | Cost |
| | G\$ | G\$ | G\$ | G\$ |
| "Available for sale" | | | | |
| <u>Shares and other stocks</u> | | | | |
| Guyana | 890,557,268 | 199,441,278 | 744,904,476 | 199,441,278 |
| Total investments | 890,557,268 | 199,441,278 | 744,904,476 | 199,441,278 |

(a) Available for sale investments

Shares and other stocks are valued by using market prices from the Guyana Association of Securities Companies and Intermediaries Inc. and Directors' assessment.

| | 2022 | 2021 |
|--|-------------|-------------|
| | G\$ | G\$ |
| 14 Receivables and prepayments | | |
| Other receivables | 3,737,257 | 4,907,101 |
| 15 Interest accrued | | |
| Deposits at banks | 2,908,748 | 2,953,515 |
| 16 Cash on Deposits | | |
| Held in Trust (a) | 68,595,204 | 67,017,581 |
| Other deposits | 138,456,100 | 139,030,747 |
| | 207,051,304 | 206,048,328 |
| (a) These are cash deposits with Insurance Regulators and financial institutions | | |
| 17 Cash on hand and at bank | | |
| Cash at banks | 50,242,762 | 47,657,243 |
| Cash on hand | 68,000 | 68,000 |
| | 50,310,762 | 47,725,243 |
| 18 Share capital | | |
| Authorised | | |
| Number of shares | 250,000 | 250,000 |
| | G\$ | G\$ |
| Issued and fully paid | | |
| 197,407 shares | 19,740,700 | 19,740,700 |

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

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

NOTES ON THE ACCOUNTS

| | 2022 | | 2021 | |
|--|----------------|--------------------|----------------|--------------------|
| | General G\$ | Revaluation G\$ | General G\$ | Revaluation G\$ |
| 19 Reserves | | | | |
| At beginning | 297,534,246 | 236,038,594 | 273,226,620 | 236,038,594 |
| Dividends paid | (2,961,105) | - | (2,961,105) | - |
| Profit for the year | 15,387,991 | - | 27,268,731 | - |
| At end | 309,961,132 | 236,038,594 | 297,534,246 | 236,038,594 |
| | | | <u>2022</u> | <u>2021</u> |
| | | | G\$ | G\$ |
| 20 Policyholders' liabilities | | | | |
| At 1 January and 31 December | | | 940,326 | 940,326 |
| Policyholders' liabilities represents unclaimed payments to Life Policyholders and is held in a Trust Deed with Republic Bank Guyana Limited. The Life Portfolio was fully wound up as at December 31, 2019. | | | | |
| | | | <u>2022</u> | <u>2021</u> |
| | | | G\$ | G\$ |
| 21 Provision for unexpired risks | | | | |
| Fire | | | 12,330,146 | 12,806,319 |
| Motor | | | 50,900,746 | 54,815,906 |
| | | | 63,230,892 | 67,622,225 |
| 22 Investment reserve | | | | |
| At beginning | | | 545,463,198 | 392,445,669 |
| Movement in fair value of investments | | | 145,652,792 | 153,017,529 |
| At end | | | 691,115,990 | 545,463,198 |
| This amount represents fair value adjustments of investments held and is not distributable. | | | | |
| 23 Claims admitted or intimated but not paid | | | | |
| Fire | | | - | 4,371 |
| Motor | | | 20,859,850 | 23,027,650 |
| | | | 20,859,850 | 23,032,021 |
| 24 Payables and accrued expenses | | | | |
| Other payables | | | 29,178,543 | 28,656,093 |
| Accruals | | | 10,522,767 | 9,470,416 |
| | | | 39,701,310 | 38,126,509 |

GCIS INCORPORATED

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NOTES ON THE ACCOUNTS

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------------------|--------------------|
| | G\$ | G\$ |
| 25 Taxation | | |
| Reconciliation of tax expenses and accounting profit | | |
| <u>General Insurance Business</u> | | |
| Accounting profit | 18,850,273 | 39,128,556 |
| Add: non-deductible expense | <u>4,137,403</u> | <u>4,005,061</u> |
| | 22,987,676 | 43,133,617 |
| Corporation tax at 40% | 9,195,070 | 17,253,447 |
| Add: | | |
| Tax effect of expenses not deductible in determining taxable profits: | | |
| Depreciation for accounting purpose | <u>1,487,680</u> | <u>1,524,847</u> |
| | 10,682,750 | 18,778,294 |
| Deduct: | | |
| Tax effect of depreciation for tax purposes | (1,135,217) | (1,153,587) |
| Tax effect of income not deductible in determining taxable profits | (4,982,140) | (4,627,654) |
| Corporation tax | 4,565,393 | 12,997,053 |
| Deferred tax | <u>(1,103,111)</u> | <u>(1,137,228)</u> |
| | <u>3,462,282</u> | <u>11,859,825</u> |
| Taxation - current | 4,565,393 | 12,997,053 |
| - deferred tax | <u>(1,103,111)</u> | <u>(1,137,228)</u> |
| | <u>3,462,282</u> | <u>11,859,825</u> |
| Components of deferred tax | | |
| <u>Deferred tax liability</u> | | |
| Fixed assets, timing difference | 11,781,194 | 12,884,305 |
| Fixed assets, revaluation | <u>126,126,067</u> | <u>126,126,067</u> |
| | <u>137,907,261</u> | <u>139,010,372</u> |
| Movement in temporary difference | | |
| | <u>Property, plant and equipment</u> | |
| | G\$ | |
| At 31 December 2020 | 140,147,600 | |
| Movement during the year | <u>(1,137,228)</u> | |
| At 31 December 2021 | 139,010,372 | |
| Movement during the year | <u>(1,103,111)</u> | |
| At 31 December 2022 | <u>137,907,261</u> | |

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NOTES ON THE ACCOUNTS

26 Related party transactions

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

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

Listed below are transactions with related parties:-

| | <u>2022</u> G\$ | <u>2021</u> G\$ |
|--|--------------------|--------------------|
| <u>Group companies</u> | | |
| (i) Management fees paid to The Hand-in-Hand Mutual Fire Insurance Company Limited | <u>12,000,000</u> | <u>12,000,000</u> |
| (ii) 750,000 shares (10% of issued shares) in fellow subsidiary - Hand-in-Hand Trust Corporation Inc. | <u>104,436,667</u> | <u>104,436,667</u> |
| (iii) 300 shares (3% of issued shares) in Hand-in-Hand Investment Inc. | <u>30,000</u> | <u>30,000</u> |
| (iv) Reinsurance premiums with The Hand-in-Hand Mutual Fire Insurance Company Limited | <u>21,385,367</u> | <u>24,465,190</u> |
| (v) Claims recovered from The Hand-in-Hand Mutual Fire Insurance Company Limited | <u>359,727</u> | <u>114,492</u> |
| (vi) Fixed deposits held with Hand-in-Hand Trust Corporation Inc. | <u>96,009,792</u> | <u>94,497,827</u> |
| Fixed deposits held with Hand-in-Hand Trust Corporation Inc.- interest | <u>1,889,956</u> | <u>1,860,632</u> |
| <u>Key management personnel</u> | | |
| (i) <u>Compensation</u> | | |
| The Company's key management personnel comprises it's Directors and Executive Managers. The remuneration paid during the year was: | | |
| Short term employee benefit - Managers - 2 (2021 - 2) | <u>11,643,242</u> | <u>10,584,782</u> |
| Directors' emoluments - 6 (2021 - 6) (Refer to note 10) | <u>2,489,014</u> | <u>2,221,680</u> |

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

NOTES ON THE ACCOUNTS

27 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2021.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to the members of the company, comprising issued share capital, reserves and accumulated surplus.

28 Financial risk management

Financial risk management objectives

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

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

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

(a) Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the company. The company faces credit risk in respect of its receivables, investments and cash and cash equivalents. However, this risk is controlled by close monitoring of these assets by the company.

The maximum credit risk faced by the company are the balances reflected in the financial statements.

The table below shows the company's maximum exposure to credit risk:

| | <u>Maximum Exposure</u> | | | |
|-----------------------------------|----------------------------|---------------------|----------------------------|---------------------|
| | 2022 | | 2021 | |
| | <u>Within 1 to 12 mths</u> | <u>Over 12 mths</u> | <u>Within 1 to 12 mths</u> | <u>Over 12 mths</u> |
| | G\$ | G\$ | G\$ | |
| Investments (i) | - | 890,557,268 | - | 744,904,476 |
| Receivables and prepayments (ii) | 3,737,257 | - | 4,907,101 | - |
| Interest accrued (iii) | 2,908,748 | - | 2,953,515 | - |
| Taxation | 17,488,254 | - | 12,201,731 | - |
| Cash and cash equivalents (iv) | 257,362,066 | - | 253,773,571 | - |
| Total credit risk exposure | <u>281,496,325</u> | <u>890,557,268</u> | <u>273,835,918</u> | <u>744,904,476</u> |

(i) Investments are assets for which the likelihood of default is considered minimal by the Directors.

(ii) Receivables represents amounts owing from Brokers and will be received in the next financial year.

(iii) Interest accrued represents amounts due or accrued on the various investments of the company. These amounts would either be received in the next financial year or would materialize on the maturity of the investment(s) in accordance with their terms and conditions.

(iv) 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.

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NOTES ON THE ACCOUNTS

28 Financial risk management - cont'd

(a) Credit risk cont'd

The table below shows the balance of five (2021-4) major counterparties at the end of the reporting period.

| Details | Location | 2022 | | 2021 | |
|------------------------------------|----------|-------------------|------------------|-------------------|------------------|
| | | Trade Receivables | Carrying Amount | Trade Receivables | Carrying Amount |
| | | G\$ | G\$ | G\$ | G\$ |
| P & P Insurance Broker | Guyana | 302,474 | 302,474 | 320,038 | 320,038 |
| Insurance Brokers Guyana Ltd. | Guyana | 1,165,410 | 1,165,410 | 1,591,292 | 1,591,292 |
| Apex Insurance Brokers Guyana Ltd. | Guyana | 818,319 | 818,319 | 820,065 | 820,065 |
| M. P. Insurance Brokers Ltd. | Guyana | 402,442 | 402,442 | 485,574 | 485,574 |
| Raj Singh Insurance Brokers Inc. | Guyana | 299,975 | 299,975 | - | - |
| | | <u>2,988,620</u> | <u>2,988,620</u> | <u>3,216,969</u> | <u>3,216,969</u> |

There were five customers who represented more than 5% of the total balance of trade receivables (2021-4).

The average receivable is 120 days (2021- 120 days).

There are no stipulated credit limits for the above customers.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The information given below relates to the major liabilities based on the remaining period at 31 December or the contractual maturity dates.

| | Maturing 2022 | |
|---|---------------------|--------------------|
| | Within 1 to 12 mths | Total |
| | G\$ | G\$ |
| At 31 December 2022 | | |
| Liabilities | | |
| Provision for unexpired risks | 63,230,892 | 63,230,892 |
| Policyholders' liabilities | 940,326 | 940,326 |
| Claims admitted or intimated but not paid | 20,859,850 | 20,859,850 |
| Payables and accrued expenses | 39,701,310 | 39,701,310 |
| Taxation | 3,790,784 | 3,790,784 |
| | <u>128,523,162</u> | <u>128,523,162</u> |

| | Maturing 2021 | |
|---|---------------------|--------------------|
| | Within 1 to 12 mths | Total |
| | G\$ | G\$ |
| At 31 December 2021 | | |
| Liabilities | | |
| Provision for unexpired risks | 67,622,225 | 67,622,225 |
| Policyholders' liabilities | 940,326 | 940,326 |
| Claims admitted or intimated but not paid | 23,032,021 | 23,032,021 |
| Payables and accrued expenses | 38,126,509 | 38,126,509 |
| Taxation | 5,040,301 | 5,040,301 |
| | <u>134,761,382</u> | <u>134,761,382</u> |

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NOTES ON THE ACCOUNTS

28 Financial risk management - cont'd

(c) Market risk

Market risk is the risk that the value of an investment will decline as a result of movement in market variables. It is a risk that is applicable to an entire class of assets (the investments in Caricom, United Kingdom and Guyanese corporate equity in the case of GCIS Incorporated) and can be impacted by changes in price, interest rates and foreign currency rates.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is as follows:

| | Average Interest rate % | Maturing 31 December 2022 | | |
|---|----------------------------------|------------------------------|--------------------------------|----------------------|
| | | Within 1 year G\$ | Non-interest bearing G\$ | Total G\$ |
| Assets | | | | |
| Investments | - | - | 890,557,268 | 890,557,268 |
| Receivables and prepayments | - | - | 3,737,257 | 3,737,257 |
| Interest accrued | - | - | 2,908,748 | 2,908,748 |
| Taxation | - | - | 17,488,254 | 17,488,254 |
| Cash on deposits | 2.50 | 207,051,304 | - | 207,051,304 |
| Cash on hand and at bank | - | - | 50,310,762 | 50,310,762 |
| | | <u>207,051,304</u> | <u>965,002,289</u> | <u>1,172,053,593</u> |
| Liabilities | | | | |
| Provision for unexpired risks | - | - | 63,230,892 | 63,230,892 |
| Policyholders' liabilities | - | - | 940,326 | 940,326 |
| Claims admitted or intimated but not paid | - | - | 20,859,850 | 20,859,850 |
| Payables and accrued expenses | - | - | 39,701,310 | 39,701,310 |
| Taxation | - | - | 3,790,784 | 3,790,784 |
| | | <u>-</u> | <u>128,523,162</u> | <u>128,523,162</u> |
| Interest sensitivity gap | | <u>207,051,304</u> | | |
| | | | | |
| | Average Interest rate % | Maturing 31 December 2021 | | |
| | | Within 1 year G\$ | Non-interest bearing G\$ | Total G\$ |
| Assets | | | | |
| Investments | - | - | 744,904,476 | 744,904,476 |
| Receivables and prepayments | - | - | 4,907,101 | 4,907,101 |
| Interest accrued | - | - | 2,953,515 | 2,953,515 |
| Taxation | - | - | 12,201,731 | 12,201,731 |
| Cash on deposits | 2.50 | 206,048,328 | - | 206,048,328 |
| Cash on hand and at bank | - | - | 47,725,243 | 47,725,243 |
| | | <u>206,048,328</u> | <u>812,692,066</u> | <u>1,018,740,394</u> |
| Liabilities | | | | |
| Provision for unexpired risks | - | - | 67,622,225 | 67,622,225 |
| Policyholders' liabilities | - | - | 940,326 | 940,326 |
| Claims admitted or intimated but not paid | - | - | 23,032,021 | 23,032,021 |
| Payables and accrued expenses | - | - | 38,126,509 | 38,126,509 |
| Taxation | - | - | 5,040,301 | 5,040,301 |
| | | <u>-</u> | <u>134,761,382</u> | <u>134,761,382</u> |
| Interest sensitivity gap | | <u>206,048,328</u> | | |

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NOTES ON THE ACCOUNTS

28 Financial risk management - cont'd

(c) Market risk - cont'd

(ii) Interest rate sensitivity analysis

The interest rate sensitivity analysis is performed to determine the impact on net profit and equity of a reasonable possible change in the interest rates prevailing at 31 December, with all other variables held constant. The impact on net profit is the effect of changes in interest rates on the floating interest rates of financial assets and liabilities.

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

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

A positive number indicates an increase in profits where the interest rate appreciates 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 balances below would be negative. If interest rates 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 Point | Impact on profit for the year | |
|--|-------------------------------------|-------------------------------|-----------|
| | | 2022 | 2021 |
| | | G\$ | G\$ |
| <u>Cash and cash equivalent</u> | | | |
| Local currency | +/-50 | 1,035,257 | 1,030,242 |

(iii) Foreign currency risk

The Company is not exposed to foreign currency risk due to fluctuations in exchange rates.

(iv) 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 or its issuer or factors affecting all securities traded in the market.

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

The Company actively trades in equity investments.

Should the market prices of investments change by 5 percent with all other variables held constant, the impact on equity would be \$44,527,863 (2021- \$37,245,224).

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NOTES ON THE ACCOUNTS

29 Analysis of financial assets and liabilities by measurement basis

| | <u>Available for sale</u> | <u>Financial Assets and Liabilities at Amortized Cost</u> | <u>Other Assets and Liabilities</u> | <u>Total</u> |
|---|---------------------------|---|---|----------------------|
| | G\$ | G\$ | G\$ | G\$ |
| At 31 December 2022 | | | | |
| Assets | | | | |
| Investments | 890,557,268 | - | - | 890,557,268 |
| Receivables and prepayments | - | 3,737,257 | - | 3,737,257 |
| Interest accrued | - | 2,908,748 | - | 2,908,748 |
| Taxation | - | 17,488,254 | - | 17,488,254 |
| Cash on deposits | - | 207,051,304 | - | 207,051,304 |
| Cash on hand and at bank | - | 50,310,762 | - | 50,310,762 |
| TOTAL ASSETS | <u>890,557,268</u> | <u>281,496,325</u> | <u>-</u> | <u>1,172,053,593</u> |
| Liabilities | | | | |
| Policyholders' liabilities | - | - | 940,326 | 940,326 |
| Provision for unexpired risks | - | - | 63,230,892 | 63,230,892 |
| Claims admitted or intimated but not paid | - | - | 20,859,850 | 20,859,850 |
| Payables and accrued expenses | - | 39,701,310 | - | 39,701,310 |
| Taxation | - | 3,790,784 | - | 3,790,784 |
| TOTAL LIABILITIES | <u>-</u> | <u>43,492,094</u> | <u>85,031,068</u> | <u>128,523,162</u> |
| At 31 December 2021 | | | | |
| Assets | | | | |
| Investments | 744,904,476 | - | - | 744,904,476 |
| Receivables and prepayments | - | 4,907,101 | - | 4,907,101 |
| Interest accrued | - | 2,953,515 | - | 2,953,515 |
| Taxation | - | 12,201,731 | - | 12,201,731 |
| Cash on deposits | - | 206,048,328 | - | 206,048,328 |
| Cash on hand and at bank | - | 47,725,243 | - | 47,725,243 |
| TOTAL ASSETS | <u>744,904,476</u> | <u>273,835,918</u> | <u>-</u> | <u>1,018,740,394</u> |
| Liabilities | | | | |
| Policyholders' liabilities | - | - | 940,326 | 940,326 |
| Provision for unexpired risks | - | - | 67,622,225 | 67,622,225 |
| Claims admitted or intimated but not paid | - | - | 23,032,021 | 23,032,021 |
| Payables and accrued expenses | - | 38,126,509 | - | 38,126,509 |
| Taxation | - | 5,040,301 | - | 5,040,301 |
| TOTAL LIABILITIES | <u>-</u> | <u>43,166,810</u> | <u>91,594,572</u> | <u>134,761,382</u> |

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32 Insurance risk

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

Risk management objectives and principles

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

Terms and conditions of insurance contracts

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

Sensitivity analysis

The Company'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's risks are in Georgetown and its environs.

Actuarial Valuation

The actuarial report carried out as at 31 December 2018 revealed that the aggregate amount of the life insurance policy liabilities in relation to its long term insurance business was \$290,376. On winding up of the portfolio the policyholder's liability increased to \$940,326 as at December 31, 2019. This amount is held in a Trust Deed for future payments.

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.

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NOTES ON THE ACCOUNTS

32 Insurance risk - cont'd

Claims development cont'd

Insurance Contracts

| | <u>Before</u> 2015 G\$'000 | <u>2015</u> G\$'000 | <u>2016</u> G\$'000 | <u>2017</u> G\$'000 | <u>2018</u> G\$'000 | <u>2019</u> G\$'000 | <u>2020</u> G\$'000 | <u>2021</u> G\$'000 | <u>2022</u> G\$'000 | <u>Total</u> G\$'000 |
|--|----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Net estimate of cumulative claims cost | | | | | | | | | | |
| Zero year | 20,292 | 96,986 | 109,080 | 89,033 | 61,876 | 73,743 | 37,396 | 19,161 | 30,849 | - |
| One year later | 19,037 | 91,404 | 114,035 | 85,894 | 63,005 | 73,795 | 37,290 | 18,032 | - | - |
| Two year later | 16,461 | 89,109 | 114,035 | 89,446 | 59,628 | 73,510 | 35,418 | - | - | - |
| Three year later | 16,353 | 88,323 | 113,465 | 83,353 | 57,079 | 72,172 | - | - | - | - |
| Four year later | 16,353 | 88,510 | 112,475 | 81,073 | - | - | - | - | - | - |
| Five year later | 16,346 | 88,260 | 113,475 | - | - | - | - | - | - | - |
| Six year later | 20,831 | 88,260 | - | - | - | - | - | - | - | - |
| Current estimate of cumulative claims cost | 20,831 | 88,260 | 113,475 | 81,073 | 57,079 | 72,172 | 35,418 | 18,032 | 30,849 | 517,189 |
| Cumulative payments | (16,346) | (88,260) | (112,475) | (80,973) | (57,079) | (71,753) | (34,194) | (13,014) | (22,235) | (496,329) |
| Outstanding claims | 4,485 | - | 1,000 | 100 | - | 419 | 1,224 | 5,018 | 8,614 | 20,860 |

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NOTES ON THE ACCOUNTS

33 Leases as lessor

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

| | <u>2022</u> | <u>2021</u> |
|--------------------|------------------|------------------|
| | <u>G\$</u> | <u>G\$</u> |
| Less than one year | <u>4,800,000</u> | <u>5,100,000</u> |

34 Pending litigations

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

35 Dividend

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| | <u>G\$</u> | <u>G\$</u> |
| Amounts recognized as distribution to shareholders in the year | | |
| Final dividend of \$15 per share (2020 - \$15.00) | <u>2,961,105</u> | <u>2,961,105</u> |
| Proposed dividend of \$15 per share (2021- \$G15.00) | <u>2,961,105</u> | <u>2,961,105</u> |

36 Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 20 March 2023.