“I had a fire. The Managing Director of GTM swiftly responded by saying, ‘Frank, we’ll stand behind you.’ I will encourage everyone to get insured with GTM.”

-Frank De Abreu
CEO of Desinco Trading

(592) 608-4GTM gtminsurance.net

The Guyana and Trinidad Mutual Fire Insurance Company Limited

143rd

ANNUAL REPORT 2022

Notice of Meeting

The **Ordinary General Meeting of Members** will be held at 14:00 hours on Wednesday, September 20, 2023 via Zoom Virtual Meeting Portal.

AGENDA

1. To approve and if seen fit pass, a special resolution authorising and directing the holding of the Ordinary General Meeting of Members of the GTM Fire Insurance Company Limited by means of a computer generated virtual real time format, where all members are in simultaneous visual attendance, due to the health and safety risks associated with large public gatherings in order to reduce the general transmission of the COVID-19 Virus.

2. To receive and consider the Report of the Directors, the Financial Statements for the year ended 31st December, 2022 and the Report of the Auditors thereon.

3. To sanction the declaration of a final dividend on Scrip Capital.

4. To elect Directors.

5. To fix remuneration of the Directors.

6. To elect Auditors and fix their remuneration.

BY ORDER OF THE BOARD

S. Bacchus-Hinds

S. BACCHUS-HINDS
Company Secretary/
Deputy Finance Controller

GTM Buildings
27-29 Robb & Hincks Streets, Georgetown
9th August, 2023

N.B. The right to vote by proxy may only be exercised by any member who does not attend the virtual meeting.

The appointed proxy must be a member of the Company.

The instrument appointing a proxy must be deposited at the Head Office of the Company not less than twenty-four hours before the time appointed for holding the meeting.

Chairman & Board of Directors

CHAIRMAN	**R. L. SINGH,** AA, ACIS
DIRECTORS	**E. A. LUCKHOO,** LL.B(HONS) (LOND), SC
	B. J. HARPER (MS.), BA
	P. S. FRASER
	G. E. DEAN, BSc., CGMA
	R. T. SINCLAIR, MSc.
	A. N. CARTER-SHARMA (MRS.), BEng. (ARCH), OSHA-30HR
MANAGING DIRECTOR	**R. ST. P. YEE,** BSc.(HONS), EMBA

Management Team

MANAGING DIRECTOR	**R. ST. P. YEE,** BSc. (HONS), EMBA
FINANCE CONTROLLER	**K. NAUTH,** MBA, FCCA, CPA, MSc.
COMPANY SECRETARY / DEPUTY FINANCE CONTROLLER	**S. BACCHUS-HINDS (MS.),** ACCA, BSc. (HONS)
INTERNAL AUDITOR	**J. CHAN-NILES (MRS.),** B.Soc (Accounting), FCCA, CIA, CRMA
INFORMATION SYSTEM MANAGER	**H. HUNTER,** MSc.(Information System), CCNP, MCITP
ACCOUNTANT (AG.)/ ASSISTANT COMPANY SECRETARY	**T. CASTELLO,** BSoc.Sc., LL.B, ACCA, MBA
BRANCH MANAGER, GRENADA	**N. ENNIS (MS.),** ACII, BSc.
BRANCH MANAGER, ST. LUCIA	**GERMAINE MAXWELL(MS.),** FCII, MSc., BSc.
BRANCH MANAGER, ST. VINCENT	**C. CAMBRIDGE,** AIAA, ACS (HONS), AIRC, Dip.Mgt (UWI)

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their REPORT and the AUDITED FINANCIAL STATEMENTS for the year ended 31 December, 2022.

FIRE BUSINESS

GUYANA & CARIBBEAN OFFICES

At the commencement of the year after adjustment for the change in currency rates the sum insured for business in force was $491,602,356,642 with annual premiums of $2,105,095,210.

New policies, increases and reinstatements totalled $57,492,286,668: in sums insured, yielding annual premiums of $215,779,997. The amount of insurance in force at 31 December, 2022 was $525,951,353,356 with annual premiums of $2,225,734,328.

SUMMARY OF POLICIES ISSUED AND EXPIRED

	SUM INSURED	ANNUAL PREMIUMS
	G$	G$
Insurance in force at 31-12-2021	491,602,356,642	2,105,095,210
Issued during the year ended 31-12-2022	57,492,286,668	215,779,997
	549,094,643,310	2,320,875,207
Expired during the year ended 31-12-2022	23,143,289,954	95,140,879
Insurance in force at 31-12-2022	525,951,353,356	2,225,734,328

The total amount of claims paid and provided for during the year amounted to $422,837,377 net of reinsurance recoveries.

TRIENNIAL CASH PROFIT

The Directors have declared a return of 30% of the premiums received after deduction of the usual reserve for unexpired time, in respect of those fire insurance policies issued in Guyana entitled to earn profit for the period ended 31 December, 2022. This will result in a return to policyholders of $41,833,272 in cash.

REPORT OF THE DIRECTORS

INVESTMENTS

At the commencement of the year, the total value of investments was $9,490,875,710. The ledger value of investments purchased during the year amounted to $348,374,813 while redemptions were $167,745,672. At 31 December 2022, securities were revalued in accordance with the Company's accounting policy, which resulted in a net increase in fair value of $2,999,310,952. The total value of investments as at 31 December 2022 was $12,670,815,803.

Certificates for the securities have been examined by the Auditors.

Mortgage Loans outstanding at 31 December, 2022 were $14,803,924.

DIVIDENDS

The Directors have approved a final dividend of 5% on the Preferent Scrip and First Preferred Stock, and recommend a final dividend of 5% on the Ordinary Scrip Capital.

DIRECTORATE

The following Directors retire from Office and are eligible for re-election — Messrs. R.L. Singh, E. A. Luckhoo and Ms. B. J. Harper.

CORPORATE GOVERNANCE

The Company shares a common Board of Directors with the Guyana and Trinidad Mutual Life Insurance Company Limited and regular meetings are held for each Company.

The Board has established a Budget and Liquidity Risk Management Committee, which on an ongoing basis, reviews the Company's liquidity requirements and monitors potential risks to the business. Other major Committees on which members of the Board serve, are the Audit , Risk Management, Information Systems, Marketing and Public Relations, Building, Investment and Organisational and Compensation.

AUDITORS

Ram & McRae Chartered Accountants have retired and are eligible for election.

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Guyana and Trinidad Mutual Fire Insurance Company Limited
on the Financial Statements for the Year Ended 31 December, 2022

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **The Guyana and Trinidad Mutual Fire Insurance Company Limited**, 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 and statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements on pages 5 to 56 present fairly, in all material respects, the financial position of **The Guyana and Trinidad Mutual Fire Insurance Company Limited** as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, Ordinance No. 31 of 1880 and the Insurance Act 2016.

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 *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, Ordinance No. 31 of 1880 and the Insurance Act 2016, 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management either intends to liquidate the Company or to 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report — cont'd

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

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

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

- Obtain an understanding of internal controls 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 Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 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

As stated in Note 49 to these financial statements, the Bank of Guyana has determined that the Company is not compliant with certain provisions of the Insurance Regulations, 2018 which require the Company to take corrective action over five years from November 6, 2019.

Ram & Mc Rae
CHARTERED ACCOUNTANTS
PROFESSIONAL SERVICES FIRM

157 'C' WATERLOO STREET
GEORGETOWN
GUYANA
9th August, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December, 2022

	Notes	2022 G$	2021 G$
REVENUE			
Insurance premiums	(5)	3,480,841,705	**3,222,794,397**
Movement in unexpired risks	(36)	(73,542,375)	**299,462,631**
Net insurance premiums		3,407,299,330	**3,522,257,028**
Reinsurance premiums	(5)	(732,417,583)	**(626,859,685)**
		2,674,881,747	**2,895,397,343**
Income from investments			
"Held-to-maturity"	(6)	78,514,357	**78,917,484**
"Loans and receivables"	(6)	4,817,265	**5,026,508**
"Available-for-sale"	(6)	106,046,269	**86,226,161**
Other income	(7)	6,729,254	**14,253,752**
Currency exchange (loss)	(8)	(24,108,734)	**(10,593,371)**
		2,846,880,158	**3,069,227,877**
Deduct:			
EXPENDITURE			
Claims	(9)	1,287,160,947	**1,045,660,546**
Commissions and sales expenses	(10)	362,016,434	**338,291,952**
Management expenses	(11)	429,200,070	**453,193,895**
Salaries and other staff costs	(11)	481,790,108	**437,957,513**
Pension fund contribution	(3)g	22,469,439	**11,019,002**
Lease interest cost	(19)c	921,546	**919,673**
Witholding and other taxes	(12)a	12,820,867	**12,244,076**
Dividends, biennial bonus and triennial profit	(13)	46,501,075	**55,950,335**
Transfer to investment reserve	(14)	171,962	**1,667,963**
Total expenditure		2,643,052,448	**2,356,904,955**
Net surplus before movement in actuarial liabilities		203,827,710	**712,322,922**
Net movement in actuarial liabilities	(42)	(9,581,000)	**(31,817,500)**
Net surplus after movement in actuarial liabilities and before tax		194,246,710	**680,505,422**
Taxation	(12)b	78,765,321	**273,455,670**
Net surplus after taxation		115,481,389	**407,049,752**
OTHER COMPREHENSIVE INCOME			
Items that will not be classified to profit or loss			
Fair value gain on revaluation of property & equipment net of tax	(22)	—	**144,300,000**
Re-measurement of defined benefit pension plans net of tax	(24)	26,365,957	**117,096,941**
Transfer to general reserve		3,464,550	**46,188,893**
Items that may be reclassified subsequently to profit or loss			
Adjustment to fair value of investments and transfer	(33)	2,999,310,952	**2,584,642,971**
Other comprehensive income for the year net of tax		3,029,141,459	**2,892,228,805**
Total comprehensive income for the year net of tax		3,144,622,848	**3,299,278,557**

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

PROFIT OR LOSS (ANNUAL) ACCOUNT — FIRE INSURANCE

For the Year Ended 31 December, 2022

	Notes	2022 G$	2021 G$
Premiums on without profit policies and commissions		1,189,127,478	**1,045,377,592**
Income from investments		189,377,891	**170,170,153**
Other income		6,729,254	**14,253,752**
		1,385,234,623	**1,229,801,497**
Deduct:			
Claims		335,070,280	**287,983,712**
Commissions and sales expenses		200,994,223	**190,007,962**
Salaries and other staff costs		394,656,786	**353,146,800**
Management expenses		342,342,903	**362,671,871**
Taxation		(96,448,532)	**(98,939,856)**
Reinsurance		335,356,042	**268,033,637**
Pension fund contribution		20,416,230	**8,750,769**
Transfer to investment reserve	(14)	171,962	**1,667,963**
Interest	(15)	64,151,139	**62,294,908**
		1,596,711,033	**1,435,617,766**
Transfer from premiums on with profit policies	(16)	(211,476,410)	**(205,816,269)**

This account, made up in accordance with By-Law 17 of this Company's Ordinance of Incorporation Chapter 210, (together with the accompanying profit or loss (triennial) account) has been prepared to reflect the declaration of triennial cash profit on fire policies entitled to profit in 2023.

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

PROFIT OR LOSS (TRIENNIAL) ACCOUNT — FIRE INSURANCE

For the Year Ended 31 December, 2022

	Notes	2022 G$	2021 G$
Balance of unexpired risks reserve at beginning		21,963,117	**21,729,796**
Premiums received		141,441,891	**147,261,241**
Premiums on policies surrendered for profit		581,727	**3,986,168**
		163,986,735	**172,977,205**
Deduct:			
Unexpired risks reserve at end		24,542,495	**25,984,200**
Transfer to profit or loss (annual) account	(17)	156,295,721	**113,917,007**
Triennial profit 30 % (2021 - 30%)		41,833,272	**44,097,902**
		222,671,488	**183,999,109**
Transfer from other reserve		(58,684,753)	**(11,021,904)**

This account, made up in accordance with By-Laws 12-14 of this Company's Ordinance of Incorporation Chapter 210, (together with the profit or loss (annual) account) has been prepared to reflect the declaration of triennial cash profit on fire policies entitled to profit in 2023.

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December, 2022

	Scrip & stock capital	Premium capital	Investment reserve	Other reserves	Dividends, biennial bonus & triennial profit	Property & equipment revaluation reserve	Total
	G$	G$	G$	G$	G$	G$	G$
Balance at 1 January, 2021	**1,000,000**	**199,520,357**	**5,922,699,876**	**2,859,106,840**	**57,424,346**	**627,783,615**	**9,667,535,034**
Changes in equity 2021							
Total comprehensive income/(loss) for the year	—	(12,227,865)	2,584,642,971	593,271,511	(10,708,060)	144,300,000	3,299,278,557
Balance at 31 December 2021	**1,000,000**	**187,292,492**	**8,507,342,847**	**3,452,378,351**	**46,716,286**	**772,083,615**	**12,966,813,591**
Changes in equity 2022							
Total comprehensive income/(loss) for the year	—	(21,544,777)	2,999,310,952	384,152,850	(4,648,601)	(212,647,576)	3,144,622,848
Balance at 31 December 2022	1,000,000	165,747,715	11,506,653,799	3,836,531,201	42,067,685	559,436,039	16,111,436,439

“The accompanying notes form an integral part of these financial statements”

STATEMENT OF FINANCIAL POSITION
As at 31 December, 2022

	Notes	2022 G$	2021 G$
Assets			
Non-current assets			
Property and equipment	(18)	1,463,991,579	**1,634,377,273**
Right of use asset	(19)a	4,895,815	**8,678,269**
Deferred tax asset	(20)	69,279,087	**73,670,574**
Other assets			
Investments			
Held to maturity	(21)a	687,422,374	**749,959,874**
Loans and receivables	(21)b	14,803,924	**21,465,321**
Available for sale	(21)c	11,968,589,505	**8,719,450,515**
Statutory deposits	(23)	872,878,995	**864,802,870**
Retirement benefit assets	(24)	401,806,293	**413,835,942**
		15,483,667,572	**12,486,240,638**
Current assets			
Interest accrued	(25)	16,227,002	**15,969,814**
Receivables and prepayments	(26)	199,096,644	**195,279,574**
Related party receivable	(27)	927,318	**—**
Unexpired reinsurance premiums	(28)	17,871,502	**17,871,502**
Taxes recoverable	(39)	255,337,613	**61,185,514**
Treasury bills	(29)	384,164,024	**466,060,002**
Cash on deposit	(30)a	1,501,194,966	**1,302,191,136**
Cash at bank	(30)b	1,206,961,496	**1,169,641,115**
Cash on hand and in transit	(30)b	18,684,974	**4,766,373**
		3,600,465,539	**3,232,965,030**
Total assets		19,084,133,111	**15,719,205,668**
Equity and liabilities			
Capital and reserves			
Scrip and stock capital	(31)	1,000,000	**1,000,000**
Premium capital	(32)	165,747,715	**187,292,492**
Investment reserve	(33)	11,506,653,799	**8,507,342,847**
Other reserve	(34)	3,836,531,201	**3,452,378,351**
Dividends, biennial bonus and triennial profit	(35)	42,067,685	**46,716,286**
Revaluation reserve	(22)	559,436,039	**772,083,615**
		16,111,436,439	**12,966,813,591**
Non-current liabilities			
Unexpired risks	(36)	1,203,203,811	**1,129,661,436**
Pension reserve	(37)	1,590,890	**2,840,594**
Actuarial liabilities	(42)	41,398,500	**31,817,500**
Lease liabilities	(19)b	3,923,852	**6,179,900**
Deferred tax liabilities	(20)	693,177,642	**629,759,279**
Retirement benefit obligations	(24)	55,542,321	**68,057,002**
		1,998,837,016	**1,868,315,711**
Current liabilities			
Lease liabilities	(19)b	2,615,900	**4,180,455**
Related party payables	(27)	—	**100,664,864**
Unclaimed dividends and triennial profit	(38)	22,035,028	**34,129,132**
Provision for taxation	(39)	4,568,714	**63,084,730**
Provision for claims	(40)	788,736,982	**587,635,833**
Payables and accruals	(41)	155,903,032	**94,381,352**
		973,859,656	**884,076,366**
Total equity and liabilities		19,084,133,111	**15,719,205,668**

The financial statements were approved by the Board of Directors on 9th August, 2023

On behalf of the Board:

Chairman: **MR. R. L. SINGH,** AA

Director: **MR. E. A. LUCKHOO**

Company Secretary: **MS. S. BACCHUS-HINDS**

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

STATEMENT OF CASH FLOWS

For the Year Ended 31 December, 2022

	2022 G$	2021 G$
Operating activities		
Profit before taxation	194,246,710	**680,505,422**
Adjustments for -		
Depreciation — property and equipment	40,518,113	**41,903,899**
Depreciation — right of use asset	3,782,454	**4,941,376**
Dividend and interest received	(189,377,891)	**(170,170,153)**
Lease interest	921,546	**919,673**
(Gain) / loss on disposal of property and equipment	(5,807,037)	**12,422,956**
Currency exchange loss	24,108,734	**10,593,371**
Operating profit before working capital changes	68,392,629	**581,116,544**
(Decrease) / increase in reserves	(5,117,702)	**231,260,050**
(Increase) / decrease in receivables and prepayments	(5,001,576)	**133,866,403**
Decrease in unclaimed dividends and triennial profit	(12,094,104)	**(45,318,140)**
Increase in provision for claims	201,101,149	**38,767,593**
Increase in actuarial valuation - claim	9,581,000	**31,817,500**
(Decrease) / increase in payables and accruals	(39,143,184)	**7,680,086**
Increase / (decrease) in unexpired risks	73,542,375	**(299,462,631)**
Decrease / (increase) in retirement benefit assets	12,029,649	**(167,054,092)**
Decrease in retirement benefit obligations	(12,514,681)	**(18,015,639)**
Net cash provided by operations	290,775,555	**494,657,674**
Taxes paid	(253,861,853)	**(218,720,744)**
Net cash provided by operating activities	36,913,702	**275,936,930**
Investing activities		
Purchase of property and equipment	(114,325,382)	**(72,563,418)**
Purchase of securities	(105,208,172)	**(115,830,000)**
Net proceeds from redemption of securities	167,745,672	**154,202,552**
Net mortgage repayments	6,661,397	**902,902**
Net decrease in treasury bills	81,895,978	**(9,376,321)**
Increase in cash on deposits	(199,003,830)	**(160,723,433)**
Increase in statutory deposits	(8,076,125)	**(8,265,854)**
Dividend and interest received	189,377,891	**170,170,153**
Net cash used in investing activities	19,067,429	**(41,483,419)**
Financing activities		
Acquisition of right of asset	—	**(3,925,732)**
Decrease in lease liabilities	(3,820,603)	**(1,048,176)**
Interest paid on lease liabilities	(921,546)	**(919,673)**
Net cash used in financing activities	(4,742,149)	**(5,893,581)**
Net increase in cash and cash equivalents	51,238,982	**228,559,930**
Cash and cash equivalents at beginning of period	1,174,407,488	**945,847,558**
Cash and cash equivalents at end of period	1,225,646,470	**1,174,407,488**
Cash and cash equivalents consist of:		
Cash on hand, at bank and in transit	1,225,646,470	**1,174,407,488**
	1,225,646,470	**1,174,407,488**

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

NOTES ON THE ACCOUNTS

(1) INCORPORATION AND ACTIVITIES

The Guyana and Trinidad Mutual Fire Insurance Company Limited was incorporated by Ordinance No. 31 of 15th December 1880. The objectives of the Company are to carry on the business of Property, Motor, Accident and Liability and any other class of insurance approved by the Regulators.

(2) ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

Amendments effective for the current year end

New and Amended Standards			Effective for annual periods beginning on or after
IAS 16	—	Amendment to IAS 16 — Property, Plant and Equipment	1 January 2022
IFRS 9	—	Amendment to IFRS 9 — Financial Instruments	1 January 2022
IAS 37	—	Amendment to IAS 37 — Provision, Contingent Liabilities and Contingent Assets	1 January 2022
IFRS 3	—	Amendments to IFRS 3 — Business Combination	1 January 2022
IAS 1	—	Amendments to IAS 1 — Presentation of Financial Statements	1 January 2023
IFRS 17	—	Insurance Contracts	1 January 2023
IFRS 10	—	Amendment to IFRS 10 — Consolidated Financial Statements and IAS 19 Investments in Associates and Joint Venture	Deferred indefinitely

IAS 16 Amendments to IAS 16 — Property, Plant and Equipment

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sale proceeds and related cost in profit and loss.

IFRS 9 Amendments to IFRS 9 — Financial Instruments

The amendment, part of the Annual Improvements to IFRS Standards 2018 to 2020, clarifies which fees an entity includes when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 37 Amendments to IAS 37 — Provision, Contingent Liabilities and Contingent Assets

The amendment clarify that, for the purpose of assessing whether a contract is onerous; the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

NOTES ON THE ACCOUNTS

(2) ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — CONT'D

Pronouncements effective in the future period for early adoption

IFRS 3 Amendments to IFRS 3 — Business Combination

The amendments updated the reference to the Conceptual Framework. They also added to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitute an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The International Accounting Standard Board added this exception to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognised some liabilities on the acquisition of a business that it would not recognise in other circumstances. Immediately after the acquisition, the entity would have had to derecognise such liabilities and recognise a gain that did not depict an economic gain.

IAS 1 Amendments to IAS 1 — Presentation of Financial Statements

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the 'right' to defer settlement by at least twelve months and make explicit that only rights in place 'at the end of the reporting period' should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) made clear that settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets and services.

IFRS 10 Amendments to IFRS 10 — Consolidated Financial Statements and IAS 19 Investment in Associates and Joint Venture

The amendments clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.

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.

The adoption of this standard will have a material impact on the reported profit, the classification of assets, and the overall financial statement presentation and disclosure requirements.

IFRS 17 and IFRS 9
Scope and separating components

Similar to the International Financial Reporting Standard (IFRS) 4, under IFRS 17 the Company will evaluate if contracts are in scope of the insurance contract standard and will separate its components if necessary. Insurance contracts transfer significant insurance risk at the inception of the contract. Insurance risk is transferred when the Company agrees to compensate a policyholder on the occurrence of an adverse specified uncertain future event. The Company issues insurance contracts in the normal course of business (direct business). The Company also holds reinsurance contracts (ceded business) and underwrites facultative reinsurance contracts (assumed business), under which it is compensated by / compensates other entities for claims arising from one or more insurance contracts issued by the Company.

As a result, the Company will continue to assess its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under an IFRS other than the insurance contract standard.

NOTES ON THE ACCOUNTS

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 — cont'd

Level of aggregation of insurance contracts

IFRS 17 introduces a new concept of aggregating insurance and reinsurance contracts into portfolios and groups for measurement purposes. Portfolios are comprised of contracts with similar risks which are managed together. The Company divides its direct and ceded business into portfolios. Management uses judgement in considering the main geographic areas, lines of businesses, distribution channels and legal entities in which it operates as the relevant drivers for establishing its various portfolios. Portfolios are then divided into groups of contracts based on expected profitability. Groups do not contain contracts issued more than one year apart since they are further subdivided into annual cohorts. This is the level at which the Company will apply the requirements of IFRS 17.

Portfolios of insurance contracts issued that are assets and those that are liabilities and portfolios of reinsurance contracts held that are assets and those that are liabilities will be presented separately in the Statement of Financial Position (SFP), resulting in presentation changes when compared to IFRS 4 as described below.

IFRS 17 introduces significant changes to the disclosure and presentation of insurance items in the financial statements including:

- Changes in presentation in the SFP where the premiums receivable, deferred acquisition costs, claims liabilities, unearned premiums and other related assets and liabilities will be presented together by portfolio on a single line called insurance contract liabilities or assets. Reinsurance assets, reinsurance receivables, deferred acquisition costs ceded, and other related assets and liabilities will be presented together by portfolio on a single line called reinsurance contract assets or liabilities;

- Changes in presentation in the Statement of Comprehensive Income (SCI) where direct results will be presented separately from reinsurance results;

- Underwriting performance will be presented in the SCI under insurance service result which will be composed of:

    - Insurance revenue which includes revenues related to direct business

    - Insurance service expenses which include expenses related to direct business

    - Net income (expenses) from reinsurance contracts held which includes revenues and expenses related to ceded business.

- Insurance service results will be presented without the impact of discount unwinding and illiquidity adjustments which will be shown separately under insurance finance income and expenses; and

- Extensive disclosures are required on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

NOTES ON THE ACCOUNTS

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 — cont'd

Measurement models

IFRS 17 introduces a new concept of General Measurement Model (GMM) for the recognition and measurement of insurance contracts. Entities also have the option to use a simplified measurement model, the Premium Allocation Approach (PAA), for contracts that have a coverage period of one year or less or if the resulting Liability for Remaining Coverage (LRC), which represents insurance coverage to be provided after the reporting period, is not expected to materially differ from the LRC measured using the GMM. The accounting under the PAA is similar to current approach under IFRS 4.

The Company does not have any significant contracts with coverage periods that are greater than one year and has developed a methodology for determining whether those contracts are eligible to apply the PAA. Based on its models the PAA will be applicable to all the insurance and reinsurance contracts except in limited circumstances where the GMM is required as described below.

The GMM is required for a limited number of contracts including retroactive reinsurance contracts the Company holds or will hold to cover adverse development of claims/bonds. The GMM requires measuring insurance and reinsurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance and reinsurance contracts. Under this model the Liability for Remaining Coverage (LRC) is the sum of discounted future cash flows, risk adjustment and Contract Service Margin (CSM) representing the unearned profit the Company will recognise as it provides service under the insurance contracts in the group. The Company is still evaluating the impact of the GMM on transition to IFRS 17.

We use the PAA for all groups of contracts that meet the requirements for applying the simplified measurement model. This is the case if the coverage period of the contracts is one year or less, or (for longer coverage periods) if the simplified model produces a reasonable approximation of the general model. The length of the coverage period is mainly determined by the concept of contract boundaries under IFRS 17. We use the premium allocation approach for our general insurance and reinsurance business.

On initial recognition of a group of insurance contracts, we recognise a liability for remaining coverage, equal to the premiums received less acquisition costs paid. For business classified as profitable, neither the present value of the expected net cash flows, nor the risk adjustment and the CSM are explicitly determined and recognised in the balance sheet. If the coverage period of the contracts in the group is one year or less, any acquisition costs incurred may be recognised directly as an expense. We have elected this option. Moreover, IFRS 17 provides for simplifications in terms of the discounting of future cash flows compared with the GMM. If there is no significant financing component and if claims settlement is expected within a year of the occurrence of loss, no discounting is required. We currently do not apply this option. In order to provide for maximum transparency and comparability in measuring our business, we consistently take account of the time value of money also when using the premium allocation approach.

If we are aware of any indications that the contracts we conclude should be classified as onerous under the GMM, we compare the amount of the liability determined under the PAA with the result of the measurement under the GMM. If the comparison shows that the fulfilment cash flows for the liability for remaining coverage under the GMM exceed the carrying amount determined under the PAA, we directly recognise the balance as an expense in the form of a loss component. To this end, we explicitly calculate the present value of the net cash flows and the risk adjustment in order to be able to make a comparison with the general measurement model. Our onerosity testing is consistently geared to identifying onerous contracts as soon as possible and ensures adequate reserving at all times.

NOTES ON THE ACCOUNTS

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 — cont'd

Measurement models — cont'd

For subsequent measurement of a profitable group of contracts, the carrying amount of the liability for remaining coverage is increased outside profit or loss by adding the further premium payments received, less the acquisition costs paid. If the acquisition costs are expensed directly to profit or loss, the carrying amount of the liability is increased accordingly. The liability for remaining coverage is reduced by the amount of insurance revenue earned as services are provided. We earn the insurance revenue by spreading the expected total premium for the coverage period within the contract boundaries over the accounting periods in a risk-commensurate manner. Also for the PAA, a distinction is made between the liability for remaining coverage and the liability for incurred claims. Likewise, a risk adjustment needs to be determined for the liability for incurred claims when using the PAA.

Onerous contracts

IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. Under the PAA, the Company assumes that no contracts in the portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise. The Company has commenced the process of developing a methodology for identifying indicators of possible onerous contracts, which includes; internal management information on planning information, forecast information and historic experience. Models for measuring potential onerous contract losses would be developed by the Company as well. For onerous contracts, a loss component determined based on estimated fulfilment cash flows is included in the LRC when insurance contracts are issued with a loss recognized immediately in net income, resulting in early recognition compared to IFRS 4. The loss component will be reversed to net income over the coverage period, therefore offsetting incurred claims. The loss component is measured on a gross basis but may be mitigated by a loss recovery component if the contracts are covered by reinsurance. Based on a preliminary assessment, onerous contracts are not expected to have a significant impact on transition to IFRS 17 and the Company anticipates they will have a limited impact on an ongoing basis given its group of contracts are generally expected to be profitable.

Discount rates

IFRS 17 requires estimates of future cash flows to be discounted to reflect the time value of money and financial risk that reflects the characteristics of the liabilities and the duration of each portfolio. The Company will establish discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. The Liability for Incurred Claims (LIC) and the LRC of contracts measured under the GMM approach will be discounted using this methodology. The Company has elected to not discount the LRC of contracts measured under the PAA approach. The LIC is discounted by adjusting a liquid risk-free yield curve to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts.

There is an accounting policy choice under IFRS 17 to disaggregate the insurance finance income or expense (IFIE), on LIC, in either Net income or Other Comprehensive Income (OCI). The Company will elect to record the IFIE in Net income. The change in the LIC from adjusting for the time value of money and effect of financial risk will be recorded in IFIE outside of underwriting performance.

NOTES ON THE ACCOUNTS

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS — cont'd

Pronouncements effective in the future period for early adoption — cont'd

IFRS 17 and IFRS 9 — cont'd

Risk adjustment

The measurement of insurance contract liabilities includes a risk adjustment which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflects the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk. Like the risk margin, the risk adjustment includes the benefit of diversification, therefore the two methodologies are fairly aligned.

Comparative figures

For financial instruments accounted for under IFRS 9, we generally make use of the option to continue measuring these instruments in accordance with the provisions of International Accounting Standard (IAS) 39, rather than adjusting the figures for previous years. However, adjustments are necessary for those items which will be included in the measurement of insurance items under IFRS 17 going forward. In addition, we make use of the classification overlay approach for some of our financial instruments in order to avoid measurement mismatches when transitioning to IFRS 17. This approach provides us with the option to measure certain financial instruments as if the measurement rules of IFRS 9 had already entered into force as at 1 January 2022 for the 2022 comparative figures.

IFRS 9 Financial Instruments

The Company has elected to apply the classification overlay approach when it applies IFRS 17 and IFRS 9 at the same time. This approach applies as a classification overlay to any financial asset for which comparative information has not been restated for IFRS 9, rather than only those held in respect of an activity connected with contracts within the scope of IFRS 17. The application of the classification overlay is optional on an instrument-by-instrument basis to allow an entity to determine whether for a particular financial asset the benefits of applying the classification overlay outweigh the costs. If an entity elects to apply the classification overlay, it can only do so for comparative periods to which it applies IFRS 17 (i.e., between the transition date to IFRS 17 and the date of initial application of IFRS 17). The International Accounting Standards Board (IASB) noted that an entity could, for example, use preliminary assessments of the business model and cash flow characteristics performed to prepare for the initial application of IFRS 9 as reasonable and supportable information for the classification overlay. In applying the classification overlay, an entity is permitted but not required to apply the impairment requirements of IFRS 9.

Implementation status

The Company has finalised the determination of its accounting policies and continues its efforts towards documenting detailed requirements and designing new business processes and controls. The Company has nearly finalised the development, testing, and implementation of the new technology solutions that will enable it to meet the requirements of the standards. The implementation is progressing smoothly, and the Company is on schedule to generate the IFRS 17 opening balance sheet in the second half of the year. The Company will continue its change management processes with a priority being placed on trainings to various stakeholders throughout the organisation. A reasonable estimate of the impact on the financial statements cannot be provided at this stage.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments, property and equipment, and conform to International Financial Reporting Standards.

The principal accounting policies are set out below.

(b) Revenue recognition

i) **Premiums**
Premiums are recognised as revenue when received from policyholders. Premiums are recognised gross of commissions payable. Reserves for unexpired risks that relate to future periods are included under non-current liabilities.

ii) **Other revenues**
Interest income for all interest bearing financial instruments except for those classified as available for sale or designated at fair value is recognised in the statement of profit or loss and other comprehensive income on an accrual basis using the effective interest yield method.

The effective interest yield is the rate that exactly discounts estimated future cash receipts or payments throughout the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

iii) **Other income**
Other income is recognised as it is earned. This is mainly due to fees charged for routine transactions.

(c) Investments

Investments are recognised in the financial statements to comply with International Financial Reporting Standards.

The Company classifies its investment portfolio into the following categories: “held to maturity investments”, “loans and receivables” and “available for sale financial assets". Management determines the appropriate classification at the time of purchase based on the purpose for which the investment securities are acquired. The classification is reviewed annually.

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

i) **Held to maturity**
Investments “held to maturity” are carried at amortised cost. Any gain or loss on these investments is recognised in the statement of profit or loss and other comprehensive income when the assets are de-recognised or impaired.

ii) **Loans and receivables**
These comprise mortgages on property are stated at amortised cost.

iii) **Available for sale financial assets**
Investments are initially recognised at cost and adjusted to fair value at subsequent periods. Gains or losses on revaluations are recognised through the investment reserve account until the asset is sold or otherwise disposed, at which time previously recognised gains or losses are transferred to the statement of profit or loss and other comprehensive income for that period.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONT'D

(d) Foreign currencies

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At the date of the financial statements, monetary assets and liabilities that are denominated in foreign currencies are re-translated 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. Gains and losses arising on re-translation are included in the statement of profit or loss and other comprehensive income for the period.

(e) Property, equipment and depreciation

Land and buildings held for use in the supply of services, or for administrative purposes are stated in the statement of financial position at cost or their revalued amounts. Revalued amounts are taken as the fair value at the date of revaluation determined from the market based evidence by appraisal undertaken by professional valuers.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve account. Depreciation on revalued assets is charged to the statement of profit or loss and other comprehensive income.

Equipment and fixtures are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and construction work-in-progress, over their estimated useful lives as follows:-

Buildings	— 2% (reducing balance)
Furniture and fittings	— 10% (reducing balance)
Computer equipment	— 20% (straight line)
Motor Vehicle & Machinery	— 20% (reducing balance)
Other equipment	— 15% (reducing balance)

No depreciation is provided on land.

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 are written down immediately to their recoverable amounts.

The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

(f) Operating expenses

The Guyana and Trinidad Mutual Fire Insurance Company Limited and The Guyana and Trinidad Mutual Life Insurance Company Limited share common staff and facilities. In Guyana, staff are employed, and facilities are owned by, The Guyana and Trinidad Mutual Fire Insurance Company Limited. In the Caribbean territories, staff are employed, and facilities are owned by, The Guyana and Trinidad Mutual Life Insurance Company Limited. Relevant costs are shared between the Companies on a pre-determined, agreed and equitable reimbursement basis.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONT'D

(g) Employees' pension scheme

A defined benefit pension scheme is operated by The Guyana and Trinidad Mutual Fire Insurance Company Limited.

In Guyana, all staff are employed by The Guyana and Trinidad Mutual Fire Insurance Company Limited. Employment costs are shared with The Guyana and Trinidad Mutual Life Insurance Company Limited on a pre-determined, agreed and equitable reimbursement basis.

A defined benefit pension plan is also operated for the sales representatives of both The Guyana and Trinidad Mutual Fire and The Guyana and Trinidad Mutual Life Insurance Companies. Contributions to the scheme are paid by The Guyana and Trinidad Mutual Fire Insurance Company Limited, and the relevant portion is then reimbursed by The Guyana and Trinidad Mutual Life Insurance Company Limited.

Contributions for the period were as follows:	2022 G$	2021 G$
Pension scheme contribution (staff)	16,769,147	**5,788,837**
Pension scheme contribution (sales representative)	5,700,292	**5,230,165**

Actuarial valuations for both schemes as at January 1, 2023 are in progress.

The fair value of the plans' assets and the present value of the obligations are actuarially calculated at the end of each year and disclosed on the statement of financial position.

The movements in assets and liabilities of the pension schemes are recognised through the statement of profit or loss and other comprehensive income.

(h) Taxation

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

Current 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 expense 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 and the Caribbean territories at the reporting date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of 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 recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset 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 is realised 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 intends to settle its current tax assets and liabilities on a net basis.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONT'D

(i) Claims

Claims are made against the Company in respect of the various classes of insurance policies. Claims are recognised when reported to the Company, whether or not settled at the reporting date.

Claims are shown in the statement of profit or loss and other comprehensive income net of reinsurance recoveries. The liability for claims reported and unpaid at the reporting date is disclosed net of amount recoverable from reinsurers.

(j) Unexpired risks

Unexpired risks represents the proportion of the premiums written in a year which relates to the period of insurance subsequent to the reporting date. The basis of this accounting estimate has been changed from a 50% of all gross premium receipted in the financial year to a per policy basis to an ongoing calculation of actually unexpired risks on a month by month basis, This methodology allows for calculating the actual unexpired risk with greater accuracy.

(k) Commissions

Commissions represent expenses incurred in the acquisition of insurance business contracted mainly through sales representatives and brokers. Various rates are used in the computation of commissions paid.

(l) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include investment securities, loans and overdrafts, receivables, payables, accruals, borrowings and cash resources. The recognition methods adopted for the instruments are disclosed in the individual policy statement.

i) Receivables and prepayments

Receivables and prepayments are recognised at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that they are not collectible.

ii) Bank borrowings

Interest bearing bank overdraft is recognised at amortised cost.

iii) Payables and accruals

Payables and accruals are recognised at amortised cost.

iv) Cash and cash equivalents

Cash and short-term funds 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 (3) months or less.

v) Derecognition

Financial assets are derecognised when the right to receive cash flows from the asset has expired.

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

(m) Reinsurance

The Guyana and Trinidad Mutual Fire Insurance Company Limited has both treaty and facultative reinsurance in place for the risks that the Company underwrites. Relevant amounts are reimbursed to the Company for claims paid, in accordance with the terms of the reinsurance agreements.

Reinsurance premiums paid are disclosed separately in the statement of profit or loss and other comprehensive income, and claims are disclosed net of reinsurance recoveries.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONT'D

(n) Insurance contracts

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

Accident and liability insurance contracts protect the Company's clients against potential legal liability of causing harm to third parties or damage to third parties' property as a result of their legitimate activities and damages covered.

Property insurance contracts mainly indemnify the Company's clients for damage suffered to their properties or for the value of property lost.

Motor insurance contracts provide financial protection to the Company's clients against physical damage and/or bodily injury resulting from motor vehicle accidents, and against liability that could arise from them.

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 any material changes advised by the client and/or loss adjusters. 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 on the books until they are discharged or cancelled, or have expired.

(o) Premium capital

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

(p) Investment reserve

This comprises the movement in the fair value of securities traded. This also includes provision made in accordance with By-Law 19 of the Company's Ordinance.

(q) Revaluation reserve

This comprises the revaluation surplus arising from the revaluation of land and buildings and is disclosed net of deferred tax.

(r) Triennial profit

This is a return of premium to profit policyholders in cash at the end of a triennial period pursuant to the By-Laws of the Company. A rate of return is decided by the Directors based on the performance of the Company.

(s) Biennial bonus

This is a cash bonus payable at a fixed rate of 30% at the end of the biennial period in accordance with the conditions of the policy. These are non-participating policies with a special bonus condition attached and are currently only sold in the territory of St. Lucia.

(t) Impairment of tangible assets

At the end of the financial 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES ON THE ACCOUNTS

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONT'D

(t) Impairment of tangible assets — Cont'd

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised 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.

(4) CRITICAL ACCOUNTING JUDGEMENTS 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 judgements, 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 recognised 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 key 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) **Available for sale financial assets**
In classifying investment securities as "available for sale", the Directors have determined that these securities do not meet the criteria for loans and receivables, held to maturity investments or financial assets at fair value through profit or loss and are valued at fair value.

ii) **Held to maturity financial assets**
The Directors have reviewed the Company's "held to maturity" assets in the light of its capital maintenance and liquidity requirements and have confirmed the Company's positive intention and ability to hold these assets to maturity.

iii) **Useful lives of property and equipment**
Management reviews the estimated useful lives of property and equipment at the end of each year to determine whether the useful lives of these assets should remain the same.

iv) **Other financial assets/liabilities**
In determining the fair value of the investment in the absence of an active market, the Directors estimate the likelihood of impairment by using discounted cash flows. At December 31, 2022 provision for claims comprised of claims notified but not settled. The provision for the cost of claims notified but not settled is arrived at after taking into account all known facts up to the reporting date.

While management believes that the liability carried at the reporting date is adequate, the application of statistical techniques requires significant judgment. Any deviation in the actual cost of the claims would result in the recognition of an additional surplus or deficit in subsequent financial years.

v) **Valuation method of pension schemes**
Certain assumptions were used in the disclosure information on the schemes based on information provided by the management of the Company.

NOTES ON THE ACCOUNTS

	2022			2021		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	G$	G$	G$	G$	G$	G$
(5) PREMIUMS						
Property	1,726,852,239	(624,146,663)	1,102,705,576	**1,632,223,238**	**(542,746,422)**	**1,089,476,816**
Motor	1,611,971,670	(93,626,216)	1,518,345,454	**1,430,695,283**	**(80,265,396)**	**1,350,429,887**
Accident & liability	140,124,108	(14,644,704)	125,479,404	**159,475,656**	**(3,847,867)**	**155,627,789**
Marine	1,893,688	—	1,893,688	**400,220**	**—**	**400,220**
	3,480,841,705	(732,417,583)	2,748,424,122	**3,222,794,397**	**(626,859,685)**	**2,595,934,712**

	2022 G$	2021 G$
(6) INCOME FROM INVESTMENTS		
"Held-to-maturity"		
Stocks, bonds and debentures		
Treasury bills and fixed deposits	78,514,357	**78,917,484**
"Loans and receivables"		
Mortgages	1,145,989	**1,527,662**
Sundry loans	3,671,276	**3,498,846**
	4,817,265	**5,026,508**
"Available-for-sale"		
Equities	106,046,269	**86,226,161**
TOTAL	189,377,891	**170,170,153**
(7) OTHER INCOME		
Miscellaneous income	6,729,254	**14,253,752**
(8) CURRENCY EXCHANGE (LOSS)	(24,108,734)	**(10,593,371)**

These differences arose as a result of translation of monetary assets and liabilities denominated in foreign currencies at the reporting date and transaction differences for the period.

NOTES ON THE ACCOUNTS

(9) CLAIMS

	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
	G$	G$	G$	G$	G$	G$
Property	611,194,186	(188,356,809)	422,837,377	**425,936,081**	**(91,786,347)**	**334,149,734**
Motor	866,910,626	(10,047,262)	856,863,364	**721,692,590**	**(13,172,070)**	**708,520,520**
Accident and liability	7,460,206	—	7,460,206	**2,990,292**	**—**	**2,990,292**
	1,485,565,018	(198,404,071)	1,287,160,947	**1,150,618,963**	**(104,958,417)**	**1,045,660,546**

Claims paid in financial year

	2022 Gross	2022 Reinsurance	2022 Net	2021 Gross	2021 Reinsurance	2021 Net
	G$	G$	G$	G$	G$	G$
Property	780,826,791	(229,972,068)	550,854,723	**451,201,335**	**(75,315,070)**	**375,886,265**
Motor	827,921,297	(36,342,837)	791,578,460	**778,868,703**	**(37,278,619)**	**741,590,084**
Accident and liability	14,365,523	(2,202,000)	12,163,523	**2,010,292**	**—**	**2,010,292**
	1,623,113,611	(268,516,905)	1,354,596,706	**1,232,080,330**	**(112,593,689)**	**1,119,486,641**

(10) COMMISSIONS AND SALES EXPENSES

	2022 G$	2021 G$
Property	249,283,909	**238,014,448**
Motor	95,458,411	**81,999,572**
Accident and liability	16,837,537	**18,267,432**
Marine	436,577	**10,500**
	362,016,434	**338,291,952**

(11) MANAGEMENT EXPENSES

	2022 G$	2021 G$
Operating expenses	362,252,183	**390,239,868**
Depreciation — property and equipment	40,518,113	**41,903,899**
Depreciation — right of use asset	3,782,454	**4,941,376**
Directors' emoluments (a)	12,298,400	**9,838,752**
Auditor's remuneration	10,348,920	**6,270,000**
	429,200,070	**453,193,895**
Salaries and other staff costs	481,790,108	**437,957,513**

(a) Directors' emoluments

			2022 G$	2021 G$
Chairman	—	R. L. Singh	2,951,616	**2,683,296**
Directors	—	P. S. Fraser	1,475,808	**1,341,648**
	—	E. A. Luckhoo	1,475,808	**1,341,648**
	—	B. J. Harper	1,475,808	**1,341,648**
	—	L. W. Validum (deceased 2021-04-24)	—	**447,216**
	—	G. E. Dean	1,475,808	**1,341,648**
	—	A. Carter-Sharma (effective 2022-05-01)	983,872	**—**
	—	R. Sinclair (effective 2022-05-01)	983,872	
Managing Director	—	R. St. P. Yee	1,475,808	**1,341,648**
			12,298,400	**9,838,752**

NOTES ON THE ACCOUNTS

		2022 G$	2021 G$
(12)a	**WITHHOLDING AND OTHER TAXES**		
	Premium and stamp tax	10,738,764	**10,177,140**
	Withholding tax	2,082,103	**2,066,936**
		12,820,867	**12,244,076**
(12)b	**TAXATION**		
	Reconciliation of tax expenses and accounting profit		
	Accounting profit	194,246,710	**680,505,422**
	Corporation tax at (40%)	77,698,684	**272,202,169**
	Add:		
	Tax effect of expenses not deductible in determining taxable profits:		
	Depreciation for accounting purposes	16,207,245	**16,761,560**
	Property tax	29,504,352	**25,950,660**
		123,410,281	**314,914,389**
	Deduct:		
	Tax effect of depreciation for tax purposes	(18,428,334)	**(17,508,066)**
	Gain on disposal of property and equipment	(5,807,037)	—
		99,174,910	**297,406,323**
	Adjustment / set off / effects of varying tax rates	(20,409,589)	**(74,002,559)**
		78,765,321	**223,403,764**
	Corporation tax (28% — 40%)	28,532,769	**223,403,764**
	Deferred tax (note 20)	50,232,552	**50,051,906**
		78,765,321	**273,455,670**

Taxation provisions are made in accordance with the tax administration laws of the various countries in which the Company operates, namely - Guyana, St. Lucia, St. Vincent and Grenada.

		2022 G$	2021 G$
(13)	**DIVIDENDS, BIENNIAL BONUS AND TRIENNIAL PROFIT**		
	Ordinary scrip dividend	30,001	**23,819**
	Preferent scrip dividend	5,012	**3,970**
	First preferred stock dividend	15,023	**11,910**
	Triennial cash profit paid	44,086,736	**54,026,872**
	Biennial bonus paid	2,364,303	**1,883,764**
		46,501,075	**55,950,335**

NOTES ON THE ACCOUNTS

	2022 G$	2021 G$
(14) TRANSFER TO INVESTMENT RESERVE		
By-Law 19 of the Company's Ordinance provides that in any year, the Directors may transfer from the interest account to the investment reserve account, an amount to provide for the past losses or future possible losses on investments or depreciation thereof.	171,962	**1,667,963**
(15) INTEREST		
Ordinary scrip	30,001	**23,819**
Preferent scrip	5,012	**3,970**
First preferred stock	15,023	**11,910**
Reserves	64,101,103	**62,255,209**
	64,151,139	**62,294,908**
(16) TRANSFER FROM PREMIUMS ON WITH PROFIT POLICIES		
Policies entitled to profit Dec 2021	—	**(70,137,874)**
Policies entitled to profit Dec 2022	(73,866,008)	**(64,655,208)**
Policies entitled to profit Dec 2023	(58,293,470)	**(71,023,187)**
Policies entitled to profit Dec 2024	(79,316,932)	**—**
	(211,476,410)	**(205,816,269)**
(17) TRANSFER TO PROFIT OR LOSS (ANNUAL) ACCOUNT on policies entitled to profit at December 2022		
As at 31 Dec 2019	—	**27,583,451**
As at 31 Dec 2020	12,291,839	**16,195,682**
As at 31 Dec 2021	70,137,874	**70,137,874**
As at 31 Dec 2022	73,866,008	**—**
	156,295,721	**113,917,007**

(18) PROPERTY AND EQUIPMENT

	Land	Buildings	Furniture, computer and other equipment	Motor vehicles	Total
	G $	G $	G $	G $	G $
Cost/valuation					
At 1 January 2021 (i)	761,300,000	577,030,137	509,259,314	41,247,579	1,888,837,030
Additions	—	22,279,061	11,478,832	—	33,757,893
Work in progress	—	—	38,805,525	—	38,805,525
Disposals	—	—	(31,956,992)	—	(31,956,992)
Revaluation	114,200,000	30,100,000	—	—	144,300,000
Impairment	—	—	—	—	—
At 31 December 2021	875,500,000	629,409,198	527,586,679	41,247,579	2,073,743,456
Additions	—	5,556,045	4,618,889	27,000,000	37,174,934
Work in progress	—	—	77,150,448	—	77,150,448
Disposals	(182,000,000)	(68,000,000)	—	—	(250,000,000)
Revaluation	—	—	—	—	—
Impairment	—	—	—	—	—
At 31 December 2022	693,500,000	566,965,243	609,356,016	68,247,579	1,938,068,838
Comprising:					
Cost	43,258,282	239,248,513	609,356,016	68,247,579	960,110,390
Valuation	650,241,718	327,716,730	—	—	977,958,448
	693,500,000	566,965,243	609,356,016	68,247,579	1,938,068,838
Depreciation:					
At 1 January 2021 (i)	—	44,833,191	351,146,088	21,017,041	416,996,320
Charge for the year	—	11,341,396	26,523,924	4,038,579	41,903,899
Written back on disposals	—	—	(19,534,036)	—	(19,534,036)
Adjustment	—	—	—	—	—
At 31 December 2021	—	56,174,587	358,135,976	25,055,620	439,366,183
Charge for the year	—	9,328,357	26,451,366	4,738,390	40,518,113
Written back on disposals	—	(5,807,037)	—	—	(5,807,037)
Adjustment	—	—	—	—	—
At 31 December 2022	—	59,695,907	384,587,342	29,794,010	474,077,259
Net book values:					
At 31 December 2021	**875,500,000**	**573,234,611**	**169,450,703**	**16,191,959**	**1,634,377,273**
At 31 December 2022	693,500,000	507,269,336	224,768,674	38,453,569	1,463,991,579

There was a reclassification of $377,176,375 from opening cost/valuation to depreciation within furniture, computer and other equipment. There was no change to net book value or profit or loss.

NOTES ON THE ACCOUNTS

(19) LEASES

(a) Right of use asset

The statement of financial position shows the following amounts relating to leases:

	Buildings G$
Gross carrying amount:	
At 1 January 2021	22,153,560
Additions	3,925,732
Disposal	—
At 31 December 2021	26,079,292
Depreciation:	
At 1 January 2021	12,459,647
Change for the year	4,941,376
At December 2021	17,401,023
Change for the year	3,782,454
At December 2022	21,183,477
Net carrying amount:	
At 31 December 2021	**8,678,269**
At 31 December 2022	4,895,815

(b) Lease liabilities

	2022 G$	2021 G$
Current	2,615,900	**4,180,455**
Non-current	3,923,852	**6,179,900**
	6,539,752	**10,360,355**

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(c) The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2022 G$	2021 G$
Depreciation of right of use asset	3,782,454	**4,941,376**
Lease interest cost	921,546	**919,673**

(d) Total cash outflows for leases in 2022 were $4,981,452 (2021: $4,845,405).

NOTES ON THE ACCOUNTS

(19) LEASES — CONT'D

(e) The Company's leasing activities and how they are accounted for:

(i) On adoption of IFRS 16, the Company has chosen the modified retrospective approach, with the cumulative effect of the adoption being recognised as an adjustment to the opening balance of retained earnings in the statement of equity.

(ii) The Company leases various offices with lease contracts typically made for a period of three (3) to five (5) years that include extension and termination options. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The lease agreements do not impose any covenants. Lease assets may not be used for borrowing purposes.

(iii) Effective January 01, 2019, leases are recognised as right of use assets and a corresponding lease liability at the date at which lease asset is available to the Company. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than twelve months, the Company has applied the optional exemptions to not recognise right of use asset but to account for lease expense on a straight line basis over the remaining lease term.

(iv) At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using an incremental borrowing rate of 8%.

(v) The Company depreciates the right of use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Company also assesses the right of use asset for impairment when such indicators exist.

(vi) Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed) and variable payments based on a rate of 3%, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

(vii) Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit or loss if the right of use asset is already reduced to zero.

NOTES ON THE ACCOUNTS

(20) DEFERRED TAX

Recognised deferred tax assets/liabilities are attributed to the following items:

	2022 G$	2021 G$
Deferred tax liabilities		
Property and equipment, revaluation	391,183,379	**418,522,410**
Property and equipment, timing difference	141,271,745	**45,702,492**
Retirement benefit assets	160,722,518	**165,534,377**
	693,177,642	**629,759,279**
Deferred tax assets		
Retirement benefit obligations	22,216,929	**27,222,801**
Accumulated tax losses	47,062,158	**46,447,773**
	69,279,087	**73,670,574**

Movement in temporary differences

Deferred tax liabilities	**Property and equipment revaluation G$**	**Property and equipment timing difference G$**	**Retirement benefit assets G$**	**Total G$**
At 1 January, 2021	**418,522,410**	**—**	**98,712,740**	**517,235,150**
Movement during the year:-				
Statement of profit or loss	—	45,702,492	4,350,116	50,052,608
Statement of other comprehensive income	—	—	62,471,521	62,471,521
At 31 December, 2021	**418,522,410**	**45,702,492**	**165,534,377**	**629,759,279**
Movement during the year:-				
Statement of profit or loss	(27,339,031)	95,569,253	(9,275,548)	58,954,674
Statement of other comprehensive income	—	—	4,463,689	4,463,689
At 31 December, 2022	391,183,379	141,271,745	160,722,518	693,177,642

Deferred tax assets	**Accumulated tax losses G$**	**Retirement benefit obligations G$**	**Total G$**
At 1 January, 2021	**54,833,924**	**34,429,056**	**89,262,980**
Movement during the year:-			
Statement of profit or loss	(8,386,151)	8,386,852	701
Statement of other comprehensive income	—	(15,593,107)	(15,593,107)
At 31 December, 2021	**46,447,773**	**27,222,801**	**73,670,574**
Movement during the year:-			
Statement of profit or loss	614,385	8,107,737	8,722,122
Statement of other comprehensive income	—	(13,113,609)	(13,113,609)
At 31 December, 2022	47,062,158	22,216,929	69,279,087

NOTES ON THE ACCOUNTS

(20) DEFERRED TAX — CONT'D

Net movements for the year

	2022 G$	2021 G$
Movements in deferred tax liabilities	(63,418,363)	**(112,524,129)**
Movements in deferred tax assets	(4,391,487)	**(15,592,406)**
Net movements for the year	(67,809,850)	**(128,116,535)**
Movements through the profit or loss account	50,232,552	**50,051,907**
Movements through statement of other comprehensive income	17,577,298	**78,064,628**
	67,809,850	**128,116,535**

(21) INVESTMENTS

(a) **Held-to-maturity**
COMMONWEALTH CARIBBEAN GOVERNMENTS

	2022 G$	2021 G$
Held in trust with Insurance Regulators:		
Others — Eastern Caribbean	662,422,374	**699,959,874**
Bonds and debentures	25,000,000	**50,000,000**
	687,422,374	**749,959,874**

(b) **Loans and receivables**

	2022 G$	2021 G$
Mortgages	14,803,924	**21,465,321**

(c) **Available-for-sale**

	2022 G$	2021 G$
Equity investments in Guyana	11,963,402,153	**8,714,263,163**
Equity investments in the Eastern Caribbean	5,187,352	**5,187,352**
	11,968,589,505	**8,719,450,515**

NOTES ON THE ACCOUNTS

(21) INVESTMENTS — CONT'D

(d) Details of securities

	Year of maturity	Rate of interest %	2022 G$	2021 G$
"Held-to-maturity"				
Guyana	2023	4.75	25,000,000	**50,000,000**
Eastern Caribbean				
Grenada	2022	3.85	—	**21,450,000**
Grenada	2023	3.00	14,300,000	**28,600,000**
St. Vincent	2022	7.50	—	**1,787,500**
St. Lucia	2026	7.00	28,600,000	**28,600,000**
St. Lucia	2023	4.50	115,830,000	**115,830,000**
St. Lucia	2022	4.50	—	**76,250,672**
St. Lucia	2022	6.25	—	**28,957,500**
St. Lucia	2023	6.00	104,983,423	**104,983,423**
St. Lucia	2024	4.50	38,125,336	**—**
St. Lucia	2024	4.50	38,125,336	**—**
St. Lucia	2025	6.00	41,105,779	**41,105,779**
St. Lucia	2025	6.00	71,500,000	**71,500,000**
St. Lucia	2025	6.00	71,500,000	**71,500,000**
St. Lucia	2025	6.50	35,750,000	**35,750,000**
St. Lucia	2026	6.50	36,822,500	**36,822,500**
St. Lucia	2026	6.50	36,822,500	**36,822,500**
St. Lucia	2027	6.50	28,957,500	**—**
			687,422,374	**749,959,874**

NOTES ON THE ACCOUNTS

(22) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table details the carrying values of assets and liabilities. However, fair values have been stated for disclosure purposes.

	2022			2021		
	IFRS 13	Carrying value	Fair value	IFRS 13	Carrying value	Fair value
	LEVEL	G$	G$	LEVEL	G$	G$
Assets						
Investments - Held-to-maturity	2	687,422,374	687,422,374	**2**	**749,959,874**	**749,959,874**
- Loans and receivables	2	14,803,924	14,803,924	**2**	**21,465,321**	**21,465,321**
Statutory deposits	1	872,878,995	872,878,995	**1**	**864,802,870**	**864,802,870**
Interest accrued	2	16,227,002	16,227,002	**2**	**15,969,814**	**15,969,814**
Receivables and prepayments	2	199,096,644	199,096,644	**2**	**195,279,574**	**195,279,574**
Related party receivable	2	927,318	927,318	**2**	**—**	**—**
Unexpired reinsurance premiums	2	17,871,502	17,871,502	**2**	**17,871,502**	**17,871,502**
Taxes recoverable	2	255,337,613	255,337,613	**2**	**61,185,514**	**61,185,514**
Treasury bills	1	384,164,024	384,164,024	**1**	**466,060,002**	**466,060,002**
Cash on deposit	1	1,501,194,966	1,501,194,966	**1**	**1,302,191,136**	**1,302,191,136**
Cash at bank	1	1,206,961,496	1,206,961,496	**1**	**1,169,641,115**	**1,169,641,115**
Cash on hand and in transit	1	18,684,974	18,684,974	**1**	**4,766,373**	**4,766,373**
		5,175,570,832	5,175,570,832		**4,869,193,095**	**4,869,193,095**
Liabilities						
Pension reserve	2	1,590,890	1,590,890	**2**	**2,840,594**	**2,840,594**
Actuarial liabilities	2	41,398,500	41,398,500	**2**	**31,817,500**	**31,817,500**
Related party payables	2	—	—	**2**	**100,664,864**	**100,664,864**
Provision for claims	2	788,736,982	788,736,982	**2**	**587,635,833**	**587,635,833**
Payables and accruals	2	155,903,032	155,903,032	**2**	**94,381,352**	**94,381,352**
Unclaimed dividends and triennial profit	2	22,035,028	22,035,028	**2**	**34,129,132**	**34,129,132**
Provision for taxation	2	4,568,714	4,568,714	**2**	**63,084,730**	**63,084,730**
		1,014,233,146	1,014,233,146		**914,554,005**	**914,554,005**

Valuation techniques and assumptions applied for the purposes of measuring fair values

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

"Loans and receivables"

These investments are carried net of specific and other provisions for impairment. The fair value is based on the expected realisation of outstanding balances. Mortgages are secured against the borrowers' properties.

NOTES ON THE ACCOUNTS

(22) FAIR VALUE OF FINANCIAL INSTRUMENTS — CONT'D

Valuation techniques and assumptions applied for the purposes of measuring fair values — CONT'D

"Financial instruments where the carrying amounts are equal to fair values"

The carrying amounts of certain financial instruments are assumed to approximate their fair values due to their short-term nature. These include cash resources, treasury bills and other assets and liabilities.

Assets carried at fair values

Property and equipment	**2022 G$**	**2021 G$**
Net book value	1,463,991,579	**1,634,377,273**

On December 31, 2019, the Company's land and buildings in Guyana were professionally revalued by the Senior Valuation Officer of the Valuation Division of the Ministry of Finance resulting in an increase in the revalution surplus for the year net of deferred tax of $43,080,000 and was recognised through other comprehensive income for that year. The revaluation surplus net of deferred tax of G$559,436,039 (2021 — $772,083,615) is being held in revaluation reserve.

All valuations were based on open market value. The valuation of property has been derived by reference to the current market value in the case of land, and the replacement cost in the case of buildings. The most significant input for these valuation approaches is the value or replacement cost per square foot which is considered to be observable. The valuation of property is classified as a level 2.

If no revaluation of land and buildings were done, the net book value of land and buildings would have been approximately G$222,810,888 (2021 — G$258,128,587).

Investments Available-for-sale	**2022 G$**	**2021 G$**
Level 1	11,957,296,078	**8,708,157,088**
Level 2	11,293,427	**11,293,427**
	11,968,589,505	**8,719,450,515**

Level 1:
Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The previously comparative reported value of NIL has been reclassified to reflect this.

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). The previously reported comparative of $8,719,450,515 was reclassified to reflect this.

	2022 G$	**2021 G$**
(23) STATUTORY DEPOSITS	872,878,995	**864,802,870**

These are deposits with Insurance Regulators and with financial institutions held in trust to the order of the relevant Insurance Regulators.

(24) DEFINED BENEFIT ASSETS / OBLIGATIONS

The last actuarial valuations of the plans' assets and the present value of the defined benefit obligations for the sales representatives and the administrative staff were carried out as at January 1, 2023 for both plans by the Actuaries. The present value of the defined benefit obligations and the related current service cost to comply with IAS 19 were measured by the Actuaries as at December 31, 2022. The projected unit method was used as required by IAS 19.

	2022		2021	
	Sales reps. plan	Staff plan	Sales reps. plan	Staff plan
	G$	G$	G$	G$
Amounts recognised in the statement of financial position				
Fair value of plan assets	383,540,645	851,164,918	**333,447,142**	**756,456,763**
Present value of obligations	439,082,966	449,358,625	**401,504,144**	**342,620,821**
Fund status asset/(liability)	(55,542,321)	401,806,293	**(68,057,002)**	**413,835,942**
Effect of asset ceiling	—	—	—	—
Net defined benefit asset/(liability)	(55,542,321)	401,806,293	**(68,057,002)**	**413,835,942**
Reconciliation of amounts recognised in the statement of financial position				
Opening benefit asset/(liability)	(68,057,002)	413,835,942	**(86,072,641)**	**246,781,850**
Net pension cost	(31,910,478)	(47,810,442)	**(32,034,197)**	**43,428**
Contributions paid	11,641,137	24,621,553	**11,067,069**	**10,831,862**
Re-measurements recognised in other comprehensive income	32,784,022	11,159,240	**38,982,767**	**156,178,802**
Closing defined benefit asset/(liability)	(55,542,321)	401,806,293	**(68,057,002)**	**413,835,942**
Plan assets at fair value				
At beginning of year	333,447,142	756,456,763	**265,840,481**	**613,182,765**
Actual return on plan assets	40,819,628	72,142,588	**58,600,059**	**151,753,392**
Employer contributions	11,641,137	24,621,553	**11,067,069**	**10,831,862**
Employee contributions	6,517,534	19,457,788	**6,392,098**	**3,530,304**
Benefit payments	(8,884,796)	(21,513,774)	**(8,452,565)**	**(22,841,560)**
	383,540,645	851,164,918	**333,447,142**	**756,456,763**
Benefit obligations				
At beginning of year	401,504,144	342,620,821	**351,913,122**	**325,075,709**
Current service cost	28,096,250	20,327,637	**27,324,138**	**12,259,961**
Interest cost	20,718,432	17,587,832	**18,227,248**	**16,077,503**
Employee contributions	6,517,534	19,457,788	**6,392,098**	**3,530,304**
Actuarial (gain) / loss	(8,868,598)	22,596,371	**6,100,103**	**8,518,904**
Benefit payments	(8,884,796)	(21,513,774)	**(8,452,565)**	**(22,841,560)**
past service cost	—	48,281,950	—	—
	439,082,966	449,358,625	**401,504,144**	**342,620,821**

(24) DEFINED BENEFIT ASSETS / OBLIGATIONS — CONT'D

The major categories of plan assets are as follows:

	2022		2021	
	Sales reps. plan	Staff plan	Sales reps. plan	Staff plan
	G$	G$	G$	G$
Investments	561,436,552	814,177,142	**512,871,567**	**748,110,026**
Current liabilities	(23,235,867)	(535,241)	**(23,235,867)**	**822,716**
Cash	202,529,916	37,523,017	**152,357,000**	**7,525,024**
	740,730,601	851,164,918	**641,992,700**	**756,457,766**

Principal actuarial assumptions at the statement of financial position date

	2022 Sales reps. plan	2022 Staff plan	2021 Sales reps. plan	2021 Staff plan
Assumed discount rate	5.00%	5.00%	**5.00%**	**5.00%**
Future promotional salary increases	2.00%	2.00%	**2.00%**	**2.00%**
Future inflationary salary increases	3.00%	3.00%	**0.00%**	**3.00%**
Expected rate of future pension increases	2.00%	2.00%	**2.00%**	**2.00%**

Summary of movements in plans' assets and liabilities	2022	2021
	G$	G$
Opening value of plans' assets	(413,835,942)	**(246,781,850)**
Opening value of plans' liabilities	68,057,002	**86,072,641**
Closing value of plans' assets	401,806,293	**413,835,942**
Closing value of plans' liabilities	(55,542,321)	**(68,057,002)**
Net movements for the year	485,032	**185,069,731**
Recognised through the statement of profit or loss account (note a)	(43,458,230)	**(10,091,838)**
Recognised in other comprehensive income (note b)	43,943,262	**195,161,569**
	485,032	**185,069,731**
(a) The amounts recognised in the statement of profit or loss are included in salaries and other staff costs.		
(b) Amounts recognised in other comprehensive income net of 40% deferred tax.	26,365,957	**117,096,941**

NOTES ON THE ACCOUNTS

		2022 G$	2021 G$
(25)	**INTEREST ACCRUED**		
	Fixed deposits	5,278,065	**4,924,591**
	Stocks, bonds and debentures	5,946,372	**6,261,358**
	Treasury bills	5,002,565	**4,783,865**
		16,227,002	**15,969,814**
(26)	**RECEIVABLES AND PREPAYMENTS**		
	Receivables	192,163,215	**187,557,487**
	Less: provision for bad debts	(13,701,941)	**(17,701,941)**
		178,461,274	**169,855,546**
	Prepayments	20,635,370	**25,424,028**
		199,096,644	**195,279,574**

Receivables comprise amounts due from brokers, sales representatives, staff loans and other sundry receivables while prepayments comprise of reinsurance premiums paid in advance.

		2022 G$	2021 G$
(27)	**RELATED PARTY RECEIVABLE**		
	This amount represents the balance due from GTM Life Insurance Company Limited for shared costs.	927,318	**(100,664,864)**
(28)	**UNEXPIRED REINSURANCE PREMIUMS**		
	Property	10,462,984	**10,462,984**
	Accident and liability	10,864,720	**10,864,720**
		21,327,704	**21,327,704**
	Unexpired reinsurance commissions	(3,456,202)	**(3,456,202)**
		17,871,502	**17,871,502**

These are estimates of the amount of reinsurance cost incurred net of commission that relate to the future accounting period.

NOTES ON THE ACCOUNTS

(29) TREASURY BILLS

	Average interest rates %	2022 G$	2021 G$
Grenada	3.75	125,922,414	**125,025,461**
St. Lucia	4.55	258,241,610	**341,034,541**
		384,164,024	**466,060,002**

(30)a CASH ON DEPOSIT

		2022 G$	2021 G$
Non Statutory Short term deposit accounts	0.00	732,471,233	**519,001,693**
Statutory Fixed deposits	0.01	145,489,979	**145,193,534**
Non Statutory Fixed deposits	0.63	623,233,754	**637,995,909**
		1,501,194,966	**1,302,191,136**

30)b CASH AT BANK AND CASH ON HAND AND IN TRANSIT

	2022 G$	2021 G$
Cash at Bank	1,206,961,496	**1,169,641,115**
Cash on Hand and in transit	18,684,974	**4,766,373**
	1,225,646,470	**1,174,407,488**

(31) SCRIP AND STOCK CAPITAL

	2022 G$	2021 G$
Ordinary scrip	600,000	**600,000**
Preferent scrip	100,000	**100,000**
First preferred stock	300,000	**300,000**
	1,000,000	**1,000,000**

These represent the stock capital of the Company. These are not available for payment of any expenses or claims incurred by the Company until all other funds are exhausted. Stockholders are entitled to be paid interest in accordance with the Company's Ordinance. Stock and scrip do not carry voting rights and dividends are paid at the average rate of interest that is declared by the Company each year.

(32) PREMIUM CAPITAL

	2022 G$	2021 G$
Policies entitled to profit Dec 2022	—	**120,378,998**
Policies entitled to profit Dec 2023	105,318,739	**61,511,631**
Policies entitled to profit Dec 2024	59,606,082	—
Subtotal (i)	164,924,821	**181,890,629**
St. Lucia bonus policies (A)	822,894	**5,401,863**
St. Lucia bonus policies (B)	—	—
Subtotal (ii)	822,894	**5,401,863**
Total	165,747,715	**187,292,492**

(i) This represents premiums on with-profit policies entitled to cash profit payment in the future years.

(ii) This policy was introduced in St. Lucia in 2007, and entitles the policyholders to a rebate of a percentage of premiums paid on a biennial basis.

NOTES ON THE ACCOUNTS

(33) INVESTMENT RESERVE

	2022 G$	2021 G$
Balance at 1 January	8,507,342,847	**5,922,699,876**
Movement in reserves for the year:		
Movements due to fair value revaluations	2,999,138,990	**2,582,975,008**
Transfer to investment reserve	171,962	**1,667,963**
Net movements in investment reserve for the year	2,999,310,952	**2,584,642,971**
Balance at 31 December	11,506,653,799	**8,507,342,847**

This represents fair value adjustment on the revaluation of investments and transfers in accordance with By-Law 19 of the Company's Ordinance as per note 14.

During the year, stock prices for investments held which are traded on the local stock exchange increased exponentially at an average rate of 30% over 2021. As such these investments are subject to market volatility and are valued using the closing quoted stock exchange price as at December 31, 2022.

(34) OTHER RESERVES

	2022 G$	2021 G$
Sundry reserve	3,836,531,201	**3,452,378,351**
	3,836,531,201	**3,452,378,351**

This represents retained earnings.

(35) DIVIDENDS, BIENNIAL BONUS AND TRIENNIAL PROFIT

	2022	2021
Ordinary scrip dividend	30,000	**30,000**
Preferent scrip dividend	5,000	**5,000**
First preferred stock dividend	15,000	**15,000**
Triennial cash profit	41,770,817	**44,097,902**
Biennial bonus	246,868	**2,568,384**
	42,067,685	**46,716,286**

(36) UNEXPIRED RISKS

	2022	2021
At 1 January	1,129,661,436	**1,429,124,067**
Movements for the year	73,542,375	**(299,462,631)**
At 31 December	1,203,203,811	**1,129,661,436**

This represents a special reserve held so that in the event of a winding up shall be available for the refund of premiums on policies unexpired or re-insurance risk of current policies.

(37) PENSION RESERVE

	2022	2021
At 1 January	2,840,594	**4,005,598**
Movements for the year	(1,249,704)	**(1,165,004)**
At 31 December	1,590,890	**2,840,594**

This is a reserve created to provide for directors' pensions.

NOTES ON THE ACCOUNTS

(38) UNCLAIMED DIVIDENDS AND TRIENNIAL PROFIT

	2022 G$	2021 G$
Ordinary scrip dividend	165,153	**146,574**
Preferent scrip dividend	26,078	**23,111**
First preferred stock dividend	68,503	**60,672**
Triennial cash profit	21,775,294	**33,898,775**
	22,035,028	**34,129,132**

(39) TAXATION PAYABLE/(RECOVERABLE)

	2022 G$	2021 G$
Taxation payable	4,568,714	**63,084,730**
Taxation recoverable	(255,337,613)	**(61,185,514)**

Taxes recoverable arise when advance payments on corporation taxes exceed the tax assessed for the year. Taxes payable and recoverable are disclosed separately, as the Company does not have a legally enforceable right to offset them.

(40) PROVISION FOR CLAIMS

	2022 G$	2021 G$
Property	343,215,188	**282,875,725**
Motor	584,061,906	**508,729,740**
Accident and liability	94,744,202	**99,447,519**
	1,022,021,296	**891,052,984**
Provisions for recoveries	(233,284,314)	**(303,417,151)**
	788,736,982	**587,635,833**

(41) PAYABLES AND ACCRUALS

	2022 G$	2021 G$
Sundry payables	62,943,103	**49,799,772**
Accruals	92,959,929	**44,581,580**
	155,903,032	**94,381,352**

(42) ACTUARIAL LIABILITIES

	2022 G$	2021 G$
At 1 January	31,817,500	**—**
Movements for the year	9,581,000	**31,817,500**
At 31 December	41,398,500	**31,817,500**

Actuarial liabilities are valued at the end of each financial year. Changes in the liabilities are recognised through the statement of profit or loss and other comprehensive income. This is a requirement by the Saint Lucia Financial Services Regulatory Authority.

(43) CONTINGENT LIABILITIES

There are several pending litigation matters as at the date of the financial statements. The outcome of these matters cannot be determined at this stage.

NOTES ON THE ACCOUNTS

(44) RELATED PARTY TRANSACTIONS

(a) Transactions with related Company

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. The Company shares a common Chairman and Board of Directors with The Guyana and Trinidad Mutual Life Insurance Company Limited. In Guyana, staff are employed, and facilities owned by, The Guyana and Trinidad Mutual Fire Insurance Company Limited. In the Caribbean territories, staff are employed, and facilities owned by, The Guyana and Trinidad Mutual Life Insurance Company Limited. Relevant costs are shared between the Companies on a pre-determined, agreed and equitable reimbursement basis.

Transactions with related company

	2022 G$	**2021 G$**
Costs incurred and shared by The Guyana and Trinidad Mutual Life Insurance Company Limited for the year.	**73,749,411**	**76,645,590**
Costs incurred and shared with The Guyana and Trinidad Mutual Life Insurance Company Limited for the year.	159,736,673	**157,964,157**
Net balance due to The Guyana and Trinidad Mutual Life Insurance Company Limited for shared costs.	—	**(100,664,864)**
Net balance due from The Guyana and Trinidad Mutual Life Insurance Company Limited for shared costs.	927,318	—
The fixed assets of The Guyana and Trinidad Mutual Life Insurance Company Limited are insured with this Company.		
Insurance coverage	927,748,242	**906,488,170**
Premiums for the year	4,518,127	**4,517,347**
Investment in The Guyana and Trinidad Mutual Fire Insurance Company Limited	100,000	**100,000**

(b) Key management personnel

(i) Compensation
The Company's key management personnel comprise its managing director and senior managers. The remuneration paid during the year to senior managers is included in salaries and other staff costs and is shared with The Guyana and Trinidad Mutual Life Insurance Company Limited.

Short term benefits	79,984,217	**79,652,640**
(ii) Directors' emoluments — 8 directors (2021 — 6)	12,298,400	**9,838,752**

NOTES ON THE ACCOUNTS

(45) ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT BASIS

2022	Held to maturity	Loans and receivables	Available for sale	Financial assets and liabilities at amortised cost	TOTAL
	G$	G$	G$	G$	G$
Assets					
Cash resources	—	—	—	2,726,841,436	2,726,841,436
Investments	687,422,374	14,803,924	11,968,589,505	—	12,670,815,803
Statutory deposits	—	—	—	872,878,995	872,878,995
Treasury bills	—	—	—	384,164,024	384,164,024
Receivables and prepayments	—	199,096,644	—	—	199,096,644
Others	—	16,227,002	—	274,136,433	290,363,435
	687,422,374	230,127,570	11,968,589,505	4,258,020,888	17,144,160,337
Liabilities					
Pension reserves	—	—	—	1,590,890	1,590,890
Actuarial liabilities	—	—	—	41,398,500	41,398,500
Unclaimed dividends and triennial profits	—	—	—	22,035,028	22,035,028
Payables and accruals	—	—	—	155,903,032	155,903,032
Others	—	—	—	1,996,509,507	1,996,509,507
Bank overdraft (unsecured)	—	—	—	—	—
	—	—	—	2,217,436,957	2,217,436,957

2021	Held to maturity	Loans and receivables	Available for sale	Financial assets and liabilities at amortised cost	TOTAL
	G$	G$	G$	G$	G$
Assets					
Cash resources	—	—	—	2,476,598,624	2,476,598,624
Investments	749,959,874	21,465,321	8,719,450,515	—	9,490,875,710
Statutory deposits	—	—	—	864,802,870	864,802,870
Treasury bills	—	—	—	466,060,002	466,060,002
Receivables and prepayments	—	195,279,574	—	—	195,279,574
Others	—	15,969,814	—	79,057,016	95,026,830
	749,959,874	**232,714,709**	**8,719,450,515**	**3,886,518,512**	**13,588,643,610**
Liabilities					
Pension reserves	—	—	—	2,840,594	2,840,594
Actuarial liabilities	—	—	—	31,817,500	31,817,500
Unclaimed dividends and triennial profits	—	—	—	34,129,132	34,129,132
Payables and accruals	—	—	—	94,381,352	94,381,352
Others	—	—	—	1,780,381,999	1,780,381,999
Bank overdraft (unsecured)	—	—	—	—	—
	—	—	—	**1,943,550,577**	**1,943,550,577**

NOTES ON THE ACCOUNTS

(46) 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 market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company 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.

(a) Market risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Company 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's exposure to market risks 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 sensitivity analysis**

The table overleaf analyses the sensitivity of interest rates exposure for both financial assets and financial liabilities 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 risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number indicates an increase in surplus where the interest rate appreciates by 50 basis points. For a decrease of 50 basis points in interest rate, there would be an equal and opposite impact on surplus and the balances would be negative.

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(a) Market risk - cont'd

(ii) Interest rate sensitivity analysis - cont'd

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the impact on the Company's surplus would have been as illustrated on the following table:

	Increase/ decrease in basis points	Impact on surplus for the period	
		2022	**2021**
Cash and cash equivalents		**G$M**	**G$M**
Local currency	+/-50	3.30	3.44
Foreign currencies	+/-50	11.52	11.09

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 surplus or equity as other factors such as credit risks, market risks, political and disaster risks can affect the value of the assets and liabilities.

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(a) Market risk - cont'd

(iii) Interest rate risk

The Company's exposure to interest rate risk is minimal but the Company's management continuously monitors and manages these risks through the use of appropriate tools, and implements strategies to hedge against any adverse effects.

The Company's exposures to interest rate risk on financial assets and financial liabilities are listed below:

2022		Maturing				
	Average interest rate	Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
	%	G$	G$	G$	G$	G$
Assets						
Cash resources	0.78	1,501,194,966	—	—	1,225,646,470	2,726,841,436
Investments	5.22	288,919,087	782,667,311	—	11,968,589,505	13,040,175,903
Mortgages	6.00	592,157	3,997,059	10,214,708	—	14,803,924
Statutory deposits	1.19	—	872,878,995	—	—	872,878,995
Receivables and prepayments	12.00	149,920,943	49,175,701	—	—	199,096,644
Others		—	—	—	290,363,435	290,363,435
		1,940,627,153	1,708,719,066	10,214,708	13,484,599,410	17,144,160,337
Liabilities						
Pension reserve		—	—	—	1,590,890	1,590,890
Unclaimed dividends and triennial profit		—	—	—	22,035,028	22,035,028
Payables and accruals		—	—	—	155,903,032	155,903,032
Other		—	—	—	1,996,509,507	1,996,509,507
		—	—	—	2,176,038,457	2,176,038,457
Interest sensitivity gap		1,940,627,153	1,708,719,066	10,214,708		

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(a) Market risk - cont'd

(iii) Interest rate risk — cont'd

2021	Average interest rate	Maturing Within 1 year	1 to 5 years	Over 5 years	Non interest bearing	Total
	%	G$	G$	G$	G$	G$
Assets						
Cash resources	0.78	1,302,191,136	—	—	1,174,407,488	2,476,598,624
Investments	5.22	349,878,916	866,140,960	—	8,719,450,515	9,935,470,391
Mortgages	6.00	942,332	5,774,846	14,748,143	—	21,465,321
Statutory deposits	1.19	—	864,802,870	—	—	864,802,870
Receivables and prepayments	12.00	142,155,638	53,123,936	—	—	195,279,574
Others		—	—	—	95,026,830	95,026,830
		1,795,168,022	**1,789,842,612**	**14,748,143**	**9,988,884,833**	**13,588,643,610**
Liabilities						
Pension reserve		—	—	—	2,840,594	2,840,594
Unclaimed dividends and triennial profit		—	—	—	34,129,132	34,129,132
Payables and accruals		—	—	—	94,381,352	94,381,352
Other		—	—	—	1,780,381,999	1,780,381,999
Bank overdraft (unsecured)		—	—	—	—	—
		—	—	—	**1,911,733,077**	**1,911,733,077**
Interest sensitivity gap		**1,795,168,022**	**1,789,842,612**	**14,748,143**		

NOTES ON THE ACCOUNTS

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(a) Market risk - cont'd

(iv) Foreign currency risk

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from investments and foreign bank balances. The currencies which the Company is mainly exposed to are Pounds Sterling, United States, Eastern Caribbean and Trinidad & Tobago dollars.

The aggregate amounts of assets and liabilities denominated in currencies other than Guyana dollars are as shown:-

	2022				
	£ Sterling	US$	EC$	TT$	Total G$ equivalent
Assets	1,386,593	4,882,682	34,630,859	660,231	**3,901,265,605**
Liabilities	—	—	5,775,157	—	**412,923,748**

	2021				
	£ Sterling	US$	EC$	TT$	Total G$ equivalent
Assets	1,386,593	3,813,358	35,900,736	660,231	**3,766,434,436**
Liabilities	—	—	4,092,069	—	**292,582,901**

Foreign currency sensitivity analysis

The following table details the Company'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 a 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 3% change in foreign currency rate. A positive number below indicates an increase in reserves if the currency were to strengthen 3% against the Guyana dollar. If the currencies were to weaken 3% against the Guyana dollar, there would be an equal and opposite impact on the reserves and the balances would be negative.

	£ Sterling impact G$M	US Dollar impact G$M	EC Dollar impact G$M	TT Dollar impact G$M	Total G$M equivalent
2022 Profit	10.6	30.9	86.7	0.6	**128.8**
2021 Profit	11.3	24.1	85.8	0.6	**121.8**

NOTES ON THE ACCOUNTS

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(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 following table details the Company's remaining contractual maturity:

	On demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G$	G$	G$	G$	G$	G$
2022						
Assets						
Mortgages	—	148,039	444,118	3,997,059	10,214,708	14,803,924
Securities	—	—	105,208,172	582,214,202	11,968,589,505	12,656,011,879
Statutory deposits	—	—	—	872,878,995	—	872,878,995
Interest accrued	16,227,002	—	—	—	—	16,227,002
Receivables and prepayments	111,940,055	24,287,994	13,692,894	49,175,701	—	199,096,644
Related party receivable	927,318	—	—	—	—	927,318
Unexpired reinsurance premiums	—	17,871,502	—	—	—	17,871,502
Taxes recoverable	—	—	255,337,613	—	—	255,337,613
Treasury bills	—	2,164,748	181,546,167	200,453,109	—	384,164,024
Cash on deposit	1,501,194,966	—	—	—	—	1,501,194,966
Cash at bank	1,206,961,496	—				1,206,961,496
Cash on hand and in transit	18,684,974	—	—	—	—	18,684,974
	2,855,935,811	44,472,283	556,228,964	1,708,719,066	11,978,804,213	17,144,160,337
Liabilities						
Unexpired risks	254,188,967	384,516,491	554,906,335	9,592,018	—	1,203,203,811
Pension reserve	—	—	—	—	1,590,890	1,590,890
Unclaimed dividends and triennial profit	22,035,028	—	—	—	—	22,035,028
Taxation	—	4,568,714	—	—	—	4,568,714
Claims	788,736,982	—	—	—	—	788,736,982
Actuarial liabilities	41,398,500	—	—	—	—	41,398,500
Payables and accruals	—	155,903,032	—	—	—	155,903,032
	1,106,359,477	544,988,237	554,906,335	9,592,018	1,590,890	2,217,436,957
Net assets	1,749,576,334	(500,515,954)	1,322,629	1,699,127,048	11,977,213,323	14,926,723,380

NOTES ON THE ACCOUNTS

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(b) Liquidity risk - cont'd

	On demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G$	G$	G$	G$	G$	G$
2021						
Assets						
Mortgages	—	229,786	712,546	5,774,846	14,748,143	21,465,321
Securities	—	21,450,000	106,995,672	621,514,202	8,719,450,515	9,469,410,389
Statutory deposits	—	—	—	864,802,870	—	864,802,870
Interest accrued	15,969,814	—	—	—	—	15,969,814
Receivables and prepayments	103,030,929	27,594,800	11,529,909	53,123,936	—	195,279,574
Related party receivable	—	—	—	—	—	—
Unexpired reinsurance premiums	—	17,871,502	—	—	—	17,871,502
Taxes recoverable	—	—	61,185,514	—	—	61,185,514
Treasury bills	—	2,164,748	219,268,496	244,626,758	—	466,060,002
Cash on deposit	1,302,191,136	—	—	—	—	1,302,191,136
Cash at bank	1,169,641,115	—				1,169,641,115
Cash on hand and in transit	4,766,373	—	—	—	—	4,766,373
	2,595,599,367	**69,310,836**	**399,692,137**	**1,789,842,612**	**8,734,198,658**	**13,588,643,610**
Liabilities						
Unexpired risks	236,935,735	350,970,250	534,905,612	6,849,839	—	1,129,661,436
Pension reserve	—	—	—	—	2,840,594	2,840,594
Related party payable	100,664,864	—	—	—	—	100,664,864
Unclaimed dividends and triennial profit	34,129,132	—	—	—	—	34,129,132
Taxation	—	63,084,730	—	—	—	63,084,730
Claims	587,635,833	—	—	—	—	587,635,833
Actuarial liabilities	31,817,500	—	—	—	—	31,817,500
Payables and accruals	—	94,381,352	—	—	—	94,381,352
	991,183,064	**508,436,332**	**534,905,612**	**6,849,839**	**2,840,594**	**2,044,215,441**
Net assets	**1,604,416,303**	**(439,125,496)**	**(135,213,475)**	**1,782,992,773**	**8,731,358,064**	**11,544,428,169**

NOTES ON THE ACCOUNTS

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(c) Credit risk

Concentration of assets and liabilities

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:

	2022 **G$** Maximum exposure	**2021** **G$** Maximum exposure
Investments (i)	12,656,011,879	**9,469,410,389**
Loans and recievables (ii)	14,803,924	**21,465,321**
Interest accrued (iii)	16,227,002	**15,969,814**
Receivables and prepayments (iv)	199,096,644	**195,279,574**
Related party receivable (v)	927,318	—
Unexpired reinsurance premiums (vi)	17,871,502	**17,871,502**
Statutory deposits (vii)	872,878,995	**864,802,870**
Treasury bills (viii)	384,164,024	**466,060,002**
Cash and cash equivalents (ix)	2,726,841,436	**2,476,598,624**
Taxes recoverable (x)	255,337,613	**61,185,514**
Total credit risk exposure	17,144,160,337	**13,588,643,610**

Receivables balances are classified as follows:

Current	185,394,703	**177,577,633**
Impaired	13,701,941	**17,701,941**
	199,096,644	**195,279,574**

(i) Investments in Government Bonds and Equities are assets for which the likelihood of default are considered low by the Company.

(ii) Loans and receivables include the sum of G$14,803,924 (2021 — G$21,465,321) that comprise of mortgages. These are fully secured against the borrowers' properties as such the likelihood of loss is considered extremely low by the Company.

(iii) As detailed in note 25, interest accrued represents amounts due or accrued on the various investments of the Company. 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.

(iv) Receivables and prepayments comprise a number of advances and loans to staff and sales representatives on which interest is earned. They also include amounts for securities pending redemption and amounts owing to the Company by other organisations. A provision for irrecoverable debts of $13,701,941 was reflected as at December 31, 2022, (2021 — $17,701,941).

NOTES ON THE ACCOUNTS

(46) FINANCIAL RISK MANAGEMENT — CONT'D

(c) Credit risk - cont'd

(v) Related party receivable represents net balance due from The Guyana and Trinidad Mutual Life Insurance Company Limited for shared costs. The Company has a sound capital base and management continuously monitors this account.

(vi) Unexpired reinsurance premiums is the estimated portion of the reinsurance cost that relates to the future accounting period. This amount would be recovered through the reversing of this provision in the next financial year.

(vii) Statutory deposits represent deposits with Insurance Regulators and with financial institutions held in trust to the order of the Insurance Regulators. The likelihood of default is considered very low by the Company.

(viii) Treasury bills are investments in Eastern Caribbean Governments and are such that the likelihood of default is extremely low and have therefore been considered virtually risk-free by the Company.

(ix) Cash and cash equivalents include balances held with commercial banks. These banks have been assessed by the Company as being creditworthy, with very strong capacity to meet their obligations as they fall due.
The related risk is therefore considered very low.

(x) Tax recoverable reflects overpayment of advance corporate tax to the Tax Authorities. The likelihood of default is considered extremely low by the Company.

Ageing of trade and other receivables which were past due but not impaired

There were no mortgages and other receivables which were impaired

Ageing of trade and other receivables which were impaired

	2022 G$	2021 G$
120 + days	13,701,941	**17,701,941**
Provision for impairment - individually assessed	13,701,941	**17,701,941**

NOTES ON THE ACCOUNTS

(47) INSURANCE RISK

The principal risks that the Company faces under its insurance contracts are that actual claims are greater than estimates, 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 mitigates its risks by engaging in both facultative reinsurance 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 also engages in redlining where it reserves the right to offer no coverage in specified geographic areas. 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 strain on the Company's finances and it would have to seek alternative financing solutions. Its cash flow would therefore be affected negatively.

Concentrations of insurance risk
Insurance risks are spread in a number of geographical areas across the four territories in which the Company operates.

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 the 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.

NOTES ON THE ACCOUNTS

(47) INSURANCE RISK — cont'd

Claims Development — cont'd

The table shows the Company's gross claims development history over a ten year period:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	G$	G$	G$	G$	G$	G$	G$	G$	G$	G$	G$
Gross estimates of cummulative claims cost											
At the end year of claims	682,568,668	397,338,986	564,616,813	827,730,547	289,864,186	276,334,500	323,019,346	357,980,208	334,712,091	365,951,728	
One year later	695,566,928	399,410,986	582,495,658	835,509,390	289,864,186	292,812,364	330,078,101	358,695,208	341,171,689		
Two years later	727,167,297	404,270,685	582,495,658	852,648,655	297,298,686	293,611,287	359,464,601	358,695, 208			
Three years later	727,622,037	404,270,685	582,795,658	855,032,505	297,298,686	293,611,287	359,885,111				
Four years later	731,260,314	404,870,685	588,108,882	857,511,426	297,298,686	295,322,316					
Five years later	732,556,670	403,970,332	588,108,882	862,659,426	297,298,686						
Six years later	732,914,170	403,970,332	588,408,882	862,659,426							
Seven years later	732,914,170	403,970,332	588,422,753								
Eight years later	734,029,661	403,970,332									
Nine years later	734,029,661										
Current estimate of cummulative claims cost	**734,029,661**	**403,970,332**	**588,422,753**	**862,659,426**	**297,298,686**	**295,322,316**	**359,885,111**	**358,695,208**	**341,171,689**	**365,951,728**	**4,607,406,910**
Cummulative payments	(714,793,035)	(386,917,494)	(566,870,597)	(830,615,377)	(280,894,498)	(210,313,320)	(270,911,038)	(245,518,050)	(184,836,257)	—	(3,691,669,666)
Adjustments	(4,433,000)	(1,430,000)	—	—	—	(7,150,000)	—	—	—	—	(13,013,000)
Outstanding claims	**14,803,626**	**15,622,838**	**21,552,156**	**32,044,049**	**16,404,188**	**77,858,996**	**88,974,073**	**113,177,158**	**156,335,432**	**365,951,728**	**902,724,244**
Outstanding claims 2012 and prior	119,297,052	—	—	—	—	—	—	—	—	—	119,297,052
Total gross outstanding claims	**134,100,678**	**15,622,838**	**21,552,156**	**32,044,049**	**16,404,188**	**77,858,996**	**88,974,073**	**113,177,158**	**156,335,432**	**365,951,728**	**1,022,021,296**

The table shows the Company's net claims development history over a ten year period after adjusting for reinsurance recoveries:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
	G$	G$	G$	G$	G$	G$	G$	G$	G$	G$	G$
Net estimates of cummulative claims cost											
At the end year of claims	132,182,056	268,063,994	242,967,149	304,170,415	263,341,543	247,277,355	269,217,762	218,199,161	229,601,348	352,765,031	
One year later	685,157,028	365,574,699	388,180,836	787,681,774	271,635,217	279,179,903	282,504,810	218,914,161	236,060,945		
Two years later	709,822,756	370,498,194	552,662,943	802,236,166	271,726,939	279,987,826	310,869,240	218,914,161			
Three years later	719,368,421	393,315,232	558,269,046	840,821,314	283,384,046	281,480,326	311,289,750				
Four years later	725,055,838	397,684,027	572,165,670	843,300,236	283,386,046	281,689,854					
Five years later	726,483,740	399,363,316	584,889,622	848,448,236	283,386,046						
Six years later	731,118,450	399,363,316	585,189,622	848,448,236							
Seven years later	732,691,450	399,363,316	585,203,493								
Eight years later	733,806,941	399,363,316									
Nine years later	733,806,941										
Current estimate of cummulative claims cost	**733,806,941**	**399,363,316**	**585,203,493**	**848,448,236**	**283,386,046**	**281,689,854**	**311,289,750**	**218,914,161**	**236,060,945**	**352,765,031**	**4,250,927,773**
Cummulative payments	(714,793,035)	(386,917,494)	(566,870,597)	(830,615,377)	(280,894,498)	(210,313,320)	(270,911,038)	(245,518,050)	(184,836,257)	—	(3,691,669,666)
Adjustments	(4,433,000)	(1,430,000)	—	10,122,574	6,487,893	(3,034,334)	(12,343,919)	104,035,928	82,087,178	—	181,492,320
Outstanding claims	**14,580,906**	**11,015,822**	**18,332,896**	**27,955,433**	**8,979,441**	**68,342,200**	**28,034,793**	**77,432,039**	**133,311,866**	**352,765,031**	**740,750,427**
Outstanding claims 2012 and prior	47,986,555	—	—	—	—	—	—	—	—	—	47,986,555
Total net outstanding claims	**62,567,461**	**11,015,822**	**18,332,896**	**27,955,433**	**8,979,441**	**68,342,200**	**28,034,793**	**77,432,039**	**133,311,866**	**352,765,031**	**788,736,982**

NOTES ON THE ACCOUNTS

(48) REPORTING BY CLASS OF INSURANCE

The Company's reporting is organised into three main business segments per the classes of insurance namely property, motor and accident and liability. The Company's primary reporting format is by class of insurance, and the secondary format would be by geographical segments.

The following is an analysis by the respective segments:

	2022				
	Property	**Motor**	**Accident & liability**	**Marine**	**Total**
	G$	**G$**	**G$**	**G$**	**G$**
Revenue					
Gross premiums	1,726,852,239	1,611,971,670	140,124,108	1,893,688	3,480,841,705
Movement in unexpired risks	(36,484,513)	(34,057,344)	(2,960,508)	(40,010)	(73,542,375)
Less reinsurance premiums	(624,146,663)	(93,626,216)	(14,644,704)	—	(732,417,583)
Net premiums	1,066,221,063	1,484,288,110	122,518,896	1,853,678	2,674,881,747
Income from investment	93,950,735	87,700,568	7,623,561	103,027	189,377,891
Other income	3,338,396	3,116,306	270,892	3,660	6,729,254
Currency exchange loss	(11,960,389)	(11,164,712)	(970,516)	(13,117)	(24,108,734)
	1,151,549,805	1,563,940,272	129,442,833	1,947,248	2,846,880,158
Deduct:					
Expenditure					
Claims	422,837,377	856,863,364	7,460,206	—	1,287,160,947
Commissions and sales expenses	249,283,909	95,458,411	16,837,537	436,577	362,016,434
Management expenses	212,926,977	198,761,797	17,277,797	233,499	429,200,070
Salaries and other staff costs	239,016,996	223,116,151	19,394,852	262,109	481,790,108
Pension fund contribution	22,469,439	—	—		22,469,439
Lease interest cost	921,546	—	—		921,546
Withholding and other taxes	12,820,867	—	—		12,820,867
Dividends, biennial bonus and triennial profit	46,501,075	—	—		46,501,075
Transfer to investment reserve	171,962	—	—		171,962
	1,206,950,148	1,374,199,723	60,970,392	932,185	2,643,052,448
Profit before taxation	(55,400,343)	189,740,549	68,472,441	1,015,063	203,827,710
Net movement in actuarial liabilities					(9,581,000)
Net surplus after movement in actuarial liabilities and before tax					194,246,710
Taxation					78,765,321
Profit after taxation					115,481,389

NOTES ON THE ACCOUNTS

(48) REPORTING BY CLASS OF INSURANCE — Cont'd

The following is an analysis by the respective segments:

	2021				
	Property	Motor	Accident & liability	Marine	Total
	G$	G$	G$	G$	G$
Revenue					
Gross premiums	1,632,223,238	1,430,695,283	159,475,656	400,220	3,222,794,397
Movement in unexpired risks	151,666,475	132,940,461	14,818,506	37,189	299,462,631
Less reinsurance premiums	(542,746,422)	(80,265,396)	(3,847,867)	—	(626,859,685)
Net premiums	1,241,143,291	1,483,370,348	170,446,295	437,409	2,895,397,343
Income from investment	86,184,734	75,543,645	8,420,642	21,132	170,170,153
Other income	7,218,985	6,327,669	705,328	1,770	14,253,752
Currency exchange loss	(5,365,141)	(4,702,716)	(524,198)	(1,316)	(10,593,371)
	1,329,181,869	**1,560,538,946**	**179,048,067**	**458,995**	**3,069,227,877**
Deduct: **Expenditure**					
Claims	334,149,734	708,520,520	2,990,292	—	1,045,660,546
Commissions and sales expenses	238,014,448	81,999,572	18,267,432	10,500	338,291,952
Management expenses	229,525,535	201,186,389	22,425,692	56,279	453,193,895
Salaries and other staff costs	221,808,884	194,422,501	21,671,740	54,388	437,957,513
Pension fund contribution	11,019,002	—	—		11,019,002
Lease interest cost	919,673	—	—		919,673
Withholding and other taxes	12,244,076	—	—		12,244,076
Dividends, bonus and triennial profit	55,950,335	—	—		55,950,335
Transfer to investment reserve	1,667,963	—	—		1,667,963
	1,105,299,650	**1,186,128,982**	**65,355,156**	**121,167**	**2,356,904,955**
Profit before taxation	**223,882,219**	**374,409,964**	**113,692,911**	**337,828**	**712,322,922**
Net movement in actuarial liabilities					(31,817,500)
Net surplus after movement in actuarial liabilities and before tax					680,505,422
Taxation					273,455,670
Profit after taxation					**407,049,752**

NOTES ON THE ACCOUNTS

(48) REPORTING BY CLASS OF INSURANCE — Cont'd

	2022			
	Property	Motor	Accident & liability	Total
	G$	G$	G$	G$
Assets	10,687,114,542	7,633,653,244	763,365,324	**19,084,133,110**
Liabilities	1,662,151,656	1,187,251,183	118,725,118	**2,968,127,957**
Unallocated liabilities	—	—	—	**4,568,714**

	2021			
	Property	Motor	Accident & liability	Total
	G$	G$	G$	G$
Assets	8,802,755,174	6,287,682,267	628,768,227	**15,719,205,668**
Liabilities	1,506,012,114	1,075,722,939	107,572,294	**2,689,307,347**
Unallocated liabilities	—	—	—	**63,084,730**

(49) INSURANCE ACT 2016

The Insurance Act 2016 became effective in 2018. Part XIV section 171 of the Act relates to the statutory fund and refers to the Regulations made under the Insurance Act 2016, which also became effective in 2018.

Part 4 of the Regulations stipulate the statutory fund's composition, limits and other requirements including investments. The areas of non-compliance are as listed. The company has five years from November 2019 to be compliant.

Category limits
As stated in part 4 number 33 of the Regulations; "the category limits of investments for statutory fund requirements shall be as set out in Schedule 3." Schedule 3 specifies a maximum of 20% of the statutory fund for shares of Corporations in Guyana. At present, 74% of the statutory fund represents investment in shares of Corporations in Guyana.

Management is currently in the process of resolving this issue.

(50) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Directors on 9th August, 2023.