



THE

HAND-IN-HAND

MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

(Incorporated 1865)



150th

ANNUAL REPORT AND ACCOUNTS

For the year ended 31st December, 2015



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

NOTICE OF MEETING

The One Hundred and Fiftieth Annual General Meeting of Members of the abovementioned Company will be held at the Company's Offices, Lots 1, 2, 3 & 4, Avenue of the Republic, Georgetown, on Thursday, June 30, 2016, at 10:00 a.m for the following purposes:-

AGENDA

1. To receive the Report of the Directors and the Accounts for the year ended December 31, 2015 and the Report of the Auditors thereon.
2. Declaration of the profits available for distribution amongst Members.
3. Election of Directors.
4. Election of Auditors.
5. To fix the remuneration of the Directors.
6. To fix the remuneration of the Auditors.
7. To consider a motion in respect to Directors' Pensions.
8. Any other business which may properly be brought before the meeting.

BY ORDER OF THE BOARD

Shaheed Essack
Company Secretary/ Finance Controller

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

June 2, 2016

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

The person appointed by proxy must be a member of the Company and qualified to vote on his own behalf.

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



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HEAD OFFICE

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

DIRECTORS

J.G. CARPENTER, B.Sc. - Chairman

W.A. LEE, A.A., B.Sc., B.S.P., E.M.S.C.P., B.Soc.Sc.,
Dip.M., F.C.I.M - Vice Chairman

C.R. QUINTIN

I.A. MCDONALD, A.A., M.A. (Hons) Cantab., F.R.S.L., Hon D.LITT. UWI

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

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

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

H. COX, A.C.I.I., Chartered Insurer



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MANAGEMENT:

- Chief Executive Officer - Keith Evelyn, B.A.(Hons) Sheff. Hallam,
B.Sc.UMIST., M.B.A.Liv., F.C.I.I.,
A.C.I.B. - Chartered Insurer
- Manager - Howard Cox, A.C.I.I. - Chartered Insurer
- Assistant Manager - Mary Nagasar, Dip. BMA., G.D.M
- Company Secretary/
Finance Controller - Shaheed Essack, M.A.A.T., A.C.I.S., M.C.M.I.
- Chief Accountant - Compton Ramnaraine, M.A.A.T., A.I.C.B.,
A.C.C.A.affiliate.
- Internal Auditor/
Compliance Officer - Ronald Stanley, F.C.C.A., C.P.C.U.
- Accountant/Investment Analyst - Kin Sue, B.Sc., M.Sc., C.I.S.I.
- Human Resource Manager - Zaida Joaquin, Dip.P.M., F. L. M. I., A.C.S.,
A.I.R.C., A.I.A.A., A.R.A.
- Manager - Berbice Operations - Tajpaul Adjodhea, F.L.M.I.
- Motor Manager - Omadatt Singh, B.Sc. (Hons.),
M.B.A., F.C.C.A., C.G.A., C.P.C.U.
- Business Development Officer - Shanomae Baptiste, B.A., P.G.Dip.

AUDITORS:

TSD LAL and Company
Chartered Accountants

ATTORNEYS-AT-LAW:

Cameron & Shepherd
Hughes, Fields & Stoby

BANKERS:

Republic Bank (Guyana) Limited
Guyana Bank for Trade & Industry Limited
Bank of Nova Scotia
Bank of Baroda
Citizens Bank (Guyana) Inc.
Demerara Bank Limited
Lloyds TSB Offshore Private Banking
RBC Dominion Securities, Canada



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BRANCH OFFICES:

BERBICE:	1) New Amsterdam	Lots 15 & 16B New Street, New Amsterdam, Berbice
	2) Corriverton	Lot 101 Ramjohn Square, No. 78 Village (Springlands) Corriverton, Berbice.
	3) D'Edward Village	Plot 'A' Northern Public Road, D' Edward Village, West Bank Berbice.
	4) Rosehall	45 'A' Public Road, Rosehall Town, Corentyne.
	5) Bush Lot	Lot 5 Section 'C' Bushlot Public Road, West Coast Berbice.
LINDEN:		23 Republic Avenue, Linden, Demerara River.
VREED-EN-HOOP:		Lot 4 New Road, Vreed-en-Hoop, West Coast Demerara.
PARIKA:		Lot 1995 Parika Highway, East Bank Essequibo.
BARTICA:		Top Floor, WK Shopping Mall, 1 st Avenue, Bartica.
MON REPOS:		30 Tract "A" Mon Repos, East Coast Demerara.
GREAT DIAMOND:		G3 Mall Lot "M" Great Diamond East Bank Demerara.
ESSEQUIBO:		Doobay's Complex, Lot 18 Cotton field, Essequibo Coast.
SOESDYKE:		Shawnee Service Station Block 'X' Soesdyke, East Bank Demerara.
GEORGETOWN:		Lot 212 Barr Street, Kitty Village, Greater Georgetown.



THE
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MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES

**REVIEW OF THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2015 BY
THE CHAIRMAN - MR. JOHN G. CARPENTER B.Sc.**

Welcome

Ladies and Gentlemen, It gives me great pleasure to welcome you to our Company's 150th Annual General Meeting and to review the performance of the Company and Group for the year ended 31st December, 2015. I am pleased to report that both the Company and the Group recorded positive growth for the period under review.

Economic Review

Global growth again fell short of expectations in 2015, decelerating to 3.1 percent from 3.4 percent in 2014. The disappointing performance mainly reflected a continued decline in growth in emerging and developing economies, amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade.

China, which is the second largest economy and which achieved a 10.6 percent growth in 2010, slowed to 6.8 percent in 2015. The IMF forecasts Chinese GDP to stabilise around 6.3 percent in 2016 - 2020. This is a clear indication that the era of double-digit growth in China is over.

The Guyanese Economy was not spared in this global economic downturn, by recording real growth of 3.0 percent, which was significantly lower than the 3.8 percent in 2014. Nevertheless, this growth was fueled mainly by the mining and agriculture sectors.

There was a slight improvement in the overall balance of payments deficit, to US\$107.7 million from US\$116.4 million. This reduction resulted from the decline in the value of imports, which reflected the lower oil prices. However, the capital account surplus was diminished remarkably by 66.0 percent, as the country failed to attract new foreign direct investments. This may have stemmed from political uncertainty as general elections were held in the second quarter of 2015. The general elections had an immediate and direct impact on performance, as overall growth was less than 1 percent in the first half of 2015.

Insurance Sector

The Insurance industry, which comprises long-term insurance and general insurance, grew its gross premiums and assets by 10.2 percent and 5.9 percent respectively. This indicated that companies were continually striving for growth. Overall, the industry produced favourable results while maintaining compliance with the requirements of the Insurance Act of 1998. The future of the insurance sector appears promising with opportunities for further growth. The imminent new Insurance Act and its Regulations should strengthen the sector to resist adverse shocks.

Banking Sector

During the fiscal year 2015, the local commercial banking sector remained stable. These banks continued to report higher level of profits and capital, in spite of a deterioration in the level of nonperforming loans. However, loans and advances to the private sector had grown at a slower rate of 6.2 percent compared with 9.7 percent in 2014.

The commercial banks' interest rates remained relatively unchanged, with a weighted average deposit rate of 1.25 percent and a weighted average lending rate of 10.6 percent. The 91-day Treasury bill rate, which is the benchmark rate, increased by 25 basis points to 1.92 percent.



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Trust Companies

The resources of the Trust Sector increased by 12.2 percent or \$1,105 million when compared to 2014. Deposits, which represented 70.2 percent of total liabilities, increased by 13.8 percent to \$7,123 million. This resulted from a 19.9 percent or \$754 million growth in individual customer deposits compared to 32.8 percent or \$936 million at end of 2014. Foreign and other liabilities also expanded by 57.8 percent and 6.5 percent respectively.

Pension Schemes

The consolidated resources of pension schemes increased to \$32.4 billion in 2015 from \$31.7 billion in 2014. This represented a 2.1 percent increase and was mainly due to a 2.8 percent increase in pension funds. This reflects continued growth within the private pension industry. The pension schemes' share represented 15.9 percent of total NBFIs' resources and Hand in Hand Trust Corporation Inc. continued to be the country's leading administrator of pension funds.

The Insurance Act

The new Insurance Act is currently in parliament for approval, and in 2016, it is expected to repeal and replace the Insurance Act of 1998 and the Insurance (Supplementary Provisions) Act of 2009. This new Insurance Act is expected to effectively regulate Guyana's insurance industry, promote competition, and protect the rights of consumers.

Group Results

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

The Group produced Total Revenue of \$2.2 billion; this is a healthy increase of 5 percent from the previous year. Furthermore, we have managed to reduce the Total Expenditure by 8 percent to \$2.0 billion compared to the previous year. Overall, the Group produced a Comprehensive Income Surplus of \$103 million compared to a deficit of \$668 million in 2014. It should be noted that last year's deficit was primarily due to the winding up of the Company's Defined Benefit Pension Scheme in favour of a Defined Contribution Scheme where pension surplus assets of \$544.8 million were transferred to members' benefits.

Insurance Business – Hand in Hand Mutual Fire Insurance Co. Ltd.

The company had maintained its performance in 2015 compared to the previous year. The Total Revenue from our insurance operation stood at \$1.3 billion, which was only 0.5 percent lower than 2014. However, the Total Expenditure was reduced by 25.6 percent to \$1.1 billion compared to the previous year. This variation was due to the fact that the Defined Benefit Expense incurred in previous years will no longer be applicable, due to the winding up of the Defined Benefit Pension Scheme.



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Premium Income from all sources within the Fire Insurance Company for the period was \$1.5 Billion. The company underwrote 1,232 New Fire Policies with a Total Sums Insured of \$21.4 billion, which is an 18 percent increase from 2014. However, the Annual Premiums was down by 4 percent to \$71 million. This resulted from the continuation of an aggressive rate-cutting strategy by the newer entrants. Business in Force at the end of 2015 stood at \$159.3 billion with an annualized Premium Income of \$558 million. This represent a 3.9 percent and 1.3 percent increase with respect to the Sums Insured and Annualized Premiums respectively. The Company will continue to expand its Accident and Marine portfolios.

Motor

The Motor Division of the Company remains a leading player in the industry by virtue of the very efficient underwriting and claims service provided. During period of 2015, we issued a total of 5,567 policies generating an Annualized Premium of \$195.7 million. These figures were marginally lower than the previous year, due to strong competition.

Claims

The Company was happy to meet its Claim obligations, paying and reserving a total of \$81.8 million as compared to \$376.7 million in 2014. The provision that was made in 2011 for the Amaila Falls Hydro project road performance bond claim was reversed since judgment in the court matter was in favour of the Company. We see claims handling as our raison d'être and we will continue to provide superior claims service to our customers who may have experienced an unfortunate loss.

Investments

The Company continues to utilize all available opportunities for short-term and long-term investments while supporting local industry with the purchase of shares, bonds and other investments. Investments increased from \$1.8 billion to \$1.9 billion and yielded a return of 2.2 percent on average investments. The Company acquired additional shares in Hand in Hand Trust Corporation, a subsidiary of the group in 2015. The Company's active international trading account is being used to capitalize on the movement of the International Market and hedge against the local market.

Triennial Cash Profit

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

Taxation

The Group contributed over \$60.8 million by way of taxation to the general revenue of the country.



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**REVIEW OF THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2015 BY
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Staff and Customer Services

We continue to provide excellent customer service. This is achieved by continuous evaluation and feedback from our customers, to further improve our service. Our staff remains committed to providing, on a consistent basis, a high quality of service to our customers and the general public. We will continue to provide training and relevant courses to enhance our team's professional development.

Hand in Hand Trust Corporation Inc.

The Trust Corporation recorded an After Tax Loss of \$48.6 million. This loss resulted from the need to increase the Loan Loss Provision in accordance to guidelines of The Bank of Guyana and the Financial Institution Act 1995. Despite these challenges, the company managed to increase its Loans and Advances Portfolio by 30.5 percent to \$5.1 billion. Total Assets has also increased from \$7.3 billion to \$8.2 billion.

The Trust Corporation was happy to report a healthy Tier I Capital Adequacy Ratio of 21.3 percent and Tier II, 21.6 percent for the period ended 2015. The company will continue to pursue measures to ensure that the Capital Adequacy Ratio remains at an acceptable level and in compliance with the Financial Institutions Act.

GCIS Inc.

GCIS Inc. has managed to maintain its market share and profitability in spite of the high level of competitiveness within the insurance industry. They have recorded an After Tax Profit of \$12.5 million as compared with \$14.3 million in 2014. This decrease is attributed to higher claims, which the company was happy to meet in order to ensure that our customers did not suffer from unfortunate loss.

GCIS continues to be a key player in the Motor Insurance Industry and complements the Hand-in-Hand Group with excellent service.

Hand in Hand Investments Inc.

This Company was incorporated in Guyana in September, 2009 and will shortly commence commercial operations.

Future outlook

In 2016, the global economy is predicted to grow 2.9 percent, which is a slower rate than previously forecast. The combinations of less than anticipated growth in two of the world's largest economies, China and the U.S.A, curbed the global growth predictions.



**REVIEW OF THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2015 BY
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In spite of the current economic challenges, the local economy is still projected to grow by 4.4 percent in 2016. Guyana's high dependency on commodity exports makes its economy highly vulnerable to the volatility of the international commodities market. Gold has always been a major contributor to the Guyanese Economy, and despite the gold price remaining stagnant for the past 2 years, gold production is anticipated to rebound in 2016. This is the result of production of two new large international mining companies, Guyana Goldfields Inc. and Troy Resources Ltd.

The government has been engaging the Inter-American Development Bank and the Caribbean Development Bank along with other multi-lateral institutions. Guyana is poised to secure loans for the 2016/2017 period, particularly in the area of agricultural diversification, infrastructure development and business. In addition, there is high anticipation that Guyana may be on the brink of becoming an oil-producing nation. This will reduce our dependence on high cost fuel from our neighbouring countries such as Venezuela and Trinidad and Tobago, and transform and diversify the economy.

The Hand In Hand Group will continue with its forward momentum to achieve long-term objectives and development. We will continue to position ourselves to take full advantages of any market opportunities while monitoring risk to ensure stable and sustainable growth in the future. We rely on the professionalism of our dedicated staff and the guidance from the Board of Directors.

Acknowledgement

As we close the year 2015, which represents our 150th year in existence and serving the public, I believe that the Company has established and proven itself as one of the leading financial institutions in this country. With that in mind, it is my pleasure to thank most sincerely, our policyholders and all those who supported us during the past year, and indeed, over the 150 years we have been in existence. I extend our sincerest gratitude to my fellow Directors, Management, the Sales Force and the indoor Staff Members of our Head Office and Branches, for their dedication and commitment, without which our Company could not have achieved the growth and success we have enjoyed over the past 150 years.

Thank you,

**JOHN G. CARPENTER B.Sc.
CHAIRMAN**



THE
HAND-IN-HAND
MUTUAL FIRE INSURANCE COMPANY LIMITED
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REPORT OF THE DIRECTORS

The Directors have pleasure in submitting for the information of Members and Policyholders their Annual Report and Audited Financial Statements for the year ended December 31, 2015.

1. Principal Activities

The Company provides a comprehensive range of services among which is Property, Motor, Marine, Bond and Accident insurances.

2. Operational Results

The Company's funds increased by \$218.7 million for the year ended December 31, 2015 as compared with a decrease in funds of \$145.1 million for the year ended December 31, 2014.

3. Fire Business

During the year the Company issued 1,232 fire policies insuring \$21.4 billion yielding annual premiums of \$71.4 million. At the close of the year, there were 13,886 policies in force insuring \$159.3 billion with annualised premiums of \$558.0 million. At the close of the previous year, there were 13,712 policies in force insuring \$153.4 billion with annualised premiums of \$551.1 million. A statement of fire policies issued and expired during the year is shown on page 12 of this report.

4. Motor Business

During the period 5,567 policies were issued insuring 6,038 vehicles with annualised premiums of \$195.7 million. Previous year figures were 5,823 policies insuring 6,193 vehicles with annualised premiums of \$222.6 million.

5. Investments

Investments at the end of the year stood at \$1,849.3 million as against \$1,790.4 million the previous year. Certificates for securities held by the Company and those lodged with the Company's Bankers as collateral for overdraft and loan facilities have been examined by our Auditors. The Company invested \$4.9 million in the shares of local companies during the financial year. The company acquired an additional 2,250,000 shares in the Hand in Hand Trust Corporation Incorporated.

6. Triennial Cash Profit

The Directors recommend a Cash Profit return of 15% in respect of the policies entitled to earn profit for the triennial period ended December 31, 2015, after deduction of reserve for the unexpired period. This will result in a cash payout of \$3.0 million. For year ended December 31, 2014, a 15% Cash Profit was declared which resulted in a payout of \$3.1 million.

7. Employee Relations

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



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REPORT OF THE DIRECTORS

8. Directorate

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

Messrs.: J.G. Carpenter
P.A. Chan-A-Sue
T.A. Parris

9. Corporate Governance

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

The Board meets monthly and has adopted a structure of mandates granted to committees whilst retaining specific matters for its decisions.

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

The committees established by the Board and their Chairpersons are:

Finance and Audit Committee	-	Mr. P.A. Chan-A-Sue
Sales and Marketing Committee	-	Mr. W.A. Lee
Human Resources Committee	-	Mr. C.R. Quintin
Buildings Committee	-	Mr. J.G. Carpenter

10. Auditors

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

By Order of the Board

Shaheed Essack
Company Secretary/Finance Controller



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POLICIES ISSUED AND EXPIRED

	No. of Policies	Sum Insured (G\$M)	Annual Premiums (G\$M)
In force as at 2014-12-31	13,712	153,385	551
Issued during the year	<u>1,232</u>	<u>21,387</u>	<u>71</u>
	14,944	174,772	622
Expired during the year	<u>1,058</u>	<u>15,483</u>	<u>64</u>
In force as at 2015-12-31	<u>13,886</u>	<u>159,289</u>	<u>558</u>



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE HAND IN HAND MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Report on the Financial Statements

We have audited the accompanying financial statements of The Hand In Hand Mutual Fire Insurance Company Limited and Subsidiaries, which comprise the statement of financial position as at 31 December 2015, 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 a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 86.

Directors'/Management's Responsibility for the Financial Statements

The Directors/Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
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ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Opinion

In our opinion, the financial statements give a true and fair view, in all material respects of the financial position of The Hand In Hand Mutual Fire Insurance Company Limited and Subsidiaries as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements complied with the requirements of the Companies Act 1991, Insurance Act 1998 and Financial Institutions Act 1995.

TSD LAL & CO.

TSD LAL & CO.
CHARTERED ACCOUNTANTS

Date: May 25, 2016

77 Brickdam,
Stabroek, Georgetown,
Guyana.



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STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Company		Group	
		2015 G\$	2014 G\$	2015 G\$	2014 G\$
Revenue					
Premiums	3	1,477,546,463	1,475,152,045	1,721,006,184	1,709,930,833
Reinsurance premiums	3	291,484,345	273,944,696	313,947,893	287,851,598
		<u>1,186,062,118</u>	<u>1,201,207,349</u>	<u>1,407,058,291</u>	<u>1,422,079,235</u>
Investment income					
"Held to maturity"	4	-	-	54,330,742	83,054,699
"Available for sale"	4	34,687,819	32,405,968	56,801,800	61,549,500
"Loans and receivables"	4	6,432,563	6,232,919	477,799,611	342,055,139
Other income	5	33,083,972	32,116,691	139,064,558	115,058,277
Management fees	6	18,000,000	19,000,000	-	-
Unclaimed triennial cash profit and others		3,128,951	1,581,767	3,128,951	1,581,767
Gain on exchange		-	-	3,936,277	10,568,353
Gain on disposal of investments					
"Available for sale"		<u>12,551,775</u>	<u>7,785,456</u>	<u>15,878,301</u>	<u>10,357,883</u>
		<u>1,293,947,198</u>	<u>1,300,330,150</u>	<u>2,157,998,531</u>	<u>2,046,304,853</u>
Deduct:					
Expenditure					
Commissions and allowances	7	180,880,745	181,862,034	187,527,409	187,835,482
Management expenses	8	680,813,568	986,637,368	1,254,777,937	1,418,119,696
Claims (net)	9	81,794,707	376,756,741	186,659,016	471,424,734
Interest	10	-	-	196,538,453	137,608,352
Surrenders	11	-	-	1,429,337	1,140,484
Triennial cash profit	12	3,138,247	3,428,930	3,138,247	3,428,930
Property tax		10,824,101	9,916,213	19,842,054	18,887,667
Taxation	15(a)	<u>117,753,569</u>	<u>(113,148,006)</u>	<u>127,811,463</u>	<u>(97,309,782)</u>
		<u>1,075,204,937</u>	<u>1,445,453,280</u>	<u>1,977,723,916</u>	<u>2,141,135,563</u>
Surplus/(deficit) of revenue over expenditure		<u>218,742,261</u>	<u>(145,123,130)</u>	<u>180,274,615</u>	<u>(94,830,710)</u>
Other comprehensive income					
Item that will not be reclassified to profit or loss:					
Remeasurement of defined benefit asset	15(b)	-	(544,768,200)	-	(544,768,200)
Items that may be reclassified subsequently to profit or loss:					
Written back on disposal of investment	15(b)	(13,718,218)	(7,691,660)	(13,718,218)	(7,691,660)
Fair value adjustment on investments	15(b)	<u>(44,808,148)</u>	<u>27,669,646</u>	<u>(63,989,175)</u>	<u>(20,336,562)</u>
Other comprehensive income, net of tax		<u>(58,526,366)</u>	<u>(524,790,214)</u>	<u>(77,707,393)</u>	<u>(572,796,422)</u>
Total comprehensive income/(expense) for the year		<u>160,215,895</u>	<u>(669,913,344)</u>	<u>102,567,222</u>	<u>(667,627,132)</u>
Surplus/(deficit) of revenue over expenditure attributable to:					
Owners of the Company		218,742,261	(145,123,130)	198,780,281	(120,285,774)
Non-controlling interests		-	-	(18,505,666)	25,455,064
		<u>218,742,261</u>	<u>(145,123,130)</u>	<u>180,274,615</u>	<u>(94,830,710)</u>
Total comprehensive income attributable to:					
Owners of the Company		160,215,895	(669,913,344)	128,302,062	(679,198,288)
Non-controlling interests		-	-	(25,734,840)	11,571,156
		<u>160,215,895</u>	<u>(669,913,344)</u>	<u>102,567,222</u>	<u>(667,627,132)</u>

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



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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Note	Premium capital	Capital reserve	Investment reserve	General reserve	Capital redemption reserve	Reserve for unexpired risk	Triennial profit	Total
		G\$	G\$	G\$	G\$	G\$	G\$	G\$	G\$
Balance as at 31 December 2013		6,950,816	1,085,660,305	397,973,190	1,445,967,309	1,508,452	757,765,099	3,428,930	3,699,254,101
Prior year adjustment for deferred tax arising from surplus on revaluation on land	42	-	(434,264,122)	-	-	-	-	-	(434,264,122)
Balance as at 31 December 2013 (restated)		6,950,816	651,396,183	397,973,190	1,445,967,309	1,508,452	757,765,099	3,428,930	3,264,989,979
Changes in equity 2014									
Total Comprehensive expense for the year		(3,405,398)	-	19,977,986	(676,068,803)	-	(10,126,446)	(290,683)	(669,913,344)
Balance as at 31 December 2014 (restated)		3,545,418	651,396,183	417,951,176	769,898,506	1,508,452	747,638,653	3,138,247	2,595,076,635
Changes in equity 2015									
Total Comprehensive Income for the year		92,584,491	-	(58,526,366)	121,884,436	-	4,420,737	(147,403)	160,215,895
Balance as at 31 December 2015		96,129,909	651,396,183	359,424,810	891,782,942	1,508,452	752,059,390	2,990,844	2,755,292,530

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Notes	Premium capital G\$	Capital reserve G\$	Investment reserve G\$	General reserve G\$	Capital redemption reserve G\$	Reserve for unexpired risk G\$	Triennial profit G\$	Total G\$
Balance as at 31 December 2013		6,950,816	1,193,284,622	531,074,618	1,131,775,550	1,508,452	768,517,880	3,428,930	4,028,430,620
Prior year adjustment for deferred tax arising from:									
Revaluation of Investment	42	-	-	1,348,007	-	-	-	-	2,021,391
Surplus on revaluation on land for prior years	42	-	(475,200,195)	-	-	-	-	-	(495,649,419)
Balance as at 31 December 2013 (restated)		6,950,816	718,084,427	532,422,625	1,131,775,550	1,508,452	768,517,880	3,428,930	3,534,802,592
Changes in equity for 2014									
Total Comprehensive expense for the year		(3,405,398)	-	(14,144,314)	(651,025,674)	-	(10,332,219)	(290,683)	(667,627,132)
Transfer to statutory reserve		-	-	-	(3,396,526)	-	-	-	(7,125,274)
Dividend Paid		-	-	-	-	-	-	-	(1,775,574)
Balance as at 31 December, 2014 (restated)		3,545,418	718,084,427	518,278,311	477,353,350	1,508,452	758,185,661	3,138,247	2,858,274,612
Changes in equity for 2015									
Total Comprehensive Income for the year		92,584,491	-	(70,478,218)	104,032,801	-	2,310,391	(147,403)	102,567,222
Adjustment to Non-controlling Interest as a result of:									
Shares in the Hand in Hand Trust Corporation Inc. bought by The Hand in Hand Mutual Fire Ins. Co. Ltd		-	-	-	(151,047,906)	-	-	-	-
Shares in the Hand in Hand Trust Corporation Inc. bought by The Hand in Hand Mutual Fire Ins. Co. Ltd		-	-	-	-	-	-	-	(255,000,000)
Dividend Paid		-	-	-	-	-	-	-	(1,183,716)
Balance as at 31 December 2015		96,129,909	718,084,427	447,800,093	430,338,245	1,508,452	760,496,052	2,990,844	2,704,658,118

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

**PROFIT AND LOSS (ANNUAL) ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

		<u>Company and Group</u>	
	<u>Note</u>	<u>2015</u> G\$	<u>2014</u> G\$
Earned premiums		810,637,146	817,275,584
Investment income			
"Available for sale"		34,687,819	32,405,968
"Loans and receivables"		6,432,563	6,232,919
Other income		33,083,972	32,116,691
Management fees		18,000,000	19,000,000
Gain on exchange		-	-
Gain on disposal of investments		<u>12,551,775</u>	<u>7,785,456</u>
		<u>915,393,275</u>	<u>914,816,618</u>
Deduct:			
Management expenses		569,208,523	514,489,691
Claims (net)		(134,466,548)	210,705,438
Reinsurance premiums		252,495,776	230,344,491
Taxation		<u>52,323,464</u>	<u>35,492,308</u>
		<u>739,561,215</u>	<u>991,031,928</u>
Transfer - policies entitled to profit 2015/2017	13	<u>175,832,060</u>	<u>(76,215,310)</u>

This account, made up in accordance with Section 83 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with the accompanying Profit and Loss (Triennial) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire policies entitled to profit in 2015.

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



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

PROFIT AND LOSS (TRIENNIAL) ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

		<u>Company and Group</u>	
	<u>Note</u>	<u>2015</u> G\$	<u>2014</u> G\$
Premiums received 2012 - 2015		18,326,035	18,891,462
Balance of unexpired risks reserve at 31 December 2012		4,026,175	4,308,741
Premiums on surrendered profit policies		<u>419,324</u>	<u>859,522</u>
		<u>22,771,534</u>	<u>24,059,725</u>
Deduct:			
Unexpired risks reserve at 31 December 2015		3,257,864	3,278,277
Transfer - profit and loss (Annual) account	14	(65,775,510)	59,948,672
Triennial profit - 15%		<u>2,990,844</u>	<u>3,138,247</u>
		<u>(59,526,802)</u>	<u>66,365,196</u>
Transfer from general reserve		<u>82,298,336</u>	<u>(42,305,471)</u>

This account, made up in accordance with Section 78 of the Company's Ordinance of Incorporation No. 9 of 1938 (together with Profit and Loss (Annual) Account) has been prepared to reflect the declaration of Triennial Cash Profit on Fire Policies entitled to profit in 2015.

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



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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

Notes	Company			Group		
	31.12.2015 G\$	31.12.2014 G\$ Restated	31.12.2013 G\$ Restated	31.12.2015 G\$	31.12.2014 G\$ Restated	31.12.2013 G\$ Restated
ASSETS						
Non current assets						
Goodwill	41	-	-	157,582,464	157,582,464	157,582,464
Plant, Property and Equipment	16	2,009,685,048	1,985,261,253	1,979,823,886	1,984,114,923	1,949,221,591
Defined benefit asset	24	-	-	-	-	1,311,490,000
Other assets						
Investments						
"Held to maturity"	17	-	-	816,794,236	1,100,589,771	1,537,225,288
"Available for sale"	17	897,158,696	936,935,824	1,692,686,288	1,622,387,677	1,618,349,438
"Loans and receivables"	17	3,225,618	159,633,833	115,840,914	4,101,361,103	3,149,338,533
Investment in subsidiaries	19	948,873,333	693,873,333	693,873,333	-	-
Properties on hand	20	1,900,000	1,900,000	13,698,834	11,499,986	11,207,851
Statutory deposits	21	242,781,430	230,983,593	230,276,623	1,042,411,569	981,332,073
Deferred tax assets	15(a)	27,871,814	84,995,264	107,543,976	29,458,219	86,316,883
		<u>4,131,495,939</u>	<u>4,093,583,100</u>	<u>5,284,384,527</u>	<u>11,007,606,213</u>	<u>10,824,335,714</u>
Current assets						
Receivables and prepayments	22	558,512,313	418,852,031	382,546,956	624,886,374	454,643,650
Interest accrued	23	5,399,608	5,342,087	5,411,775	36,776,766	43,313,810
Stock of stationery		4,176,568	3,667,067	5,044,125	5,502,697	4,671,907
Tax recoverable		65,787,781	65,778,902	65,778,902	74,130,795	74,121,916
Treasury Bill		-	19,621,000	-	-	19,621,000
Cash on deposits	25	210,359,781	166,574,959	251,398,412	806,453,949	792,692,592
Cash at banks and on hand	26	79,086,398	83,023,272	147,622,328	162,274,909	338,022,315
		<u>923,322,449</u>	<u>762,859,318</u>	<u>857,802,498</u>	<u>1,710,025,490</u>	<u>1,713,512,077</u>
TOTAL ASSETS		<u>5,054,818,388</u>	<u>4,856,442,418</u>	<u>6,142,187,025</u>	<u>12,717,631,703</u>	<u>11,844,311,540</u>
EQUITY AND LIABILITIES						
Capital and reserves						
Premium capital	27	96,129,909	3,545,418	6,950,816	96,129,909	3,545,418
Capital reserve	16	651,396,183	651,396,183	651,396,183	718,084,427	718,084,427
Investment reserve	28	359,424,810	417,951,176	397,973,190	447,800,093	518,278,311
General reserve	29	891,782,942	769,898,506	1,445,967,309	430,338,245	477,353,350
Capital redemption reserve	30	1,508,452	1,508,452	1,508,452	1,508,452	1,508,452
Reserve for unexpired risks	31	752,059,390	747,638,653	757,765,099	760,496,052	758,185,661
Triennial profit	32	2,990,844	3,138,247	3,428,930	2,990,844	3,138,247
		<u>2,755,292,530</u>	<u>2,595,076,635</u>	<u>3,264,989,979</u>	<u>2,457,348,022</u>	<u>2,480,093,866</u>
Non controlling interest	33	-	-	-	247,310,096	372,113,912
		<u>2,755,292,530</u>	<u>2,595,076,635</u>	<u>3,264,989,979</u>	<u>2,704,658,118</u>	<u>3,534,802,592</u>
Non current liabilities						
Medium term borrowings	34	1,009,454,338	735,454,338	800,454,338	1,009,454,338	735,454,338
Reserve fund	35	-	-	-	157,795,421	150,670,147
Customers' deposits	36	-	-	-	548,783,249	143,817,048
Deferred tax liabilities	15(a)	434,264,122	434,264,122	958,860,122	502,566,612	502,882,335
Policyholders' liabilities		-	-	-	25,861,952	25,861,952
		<u>1,443,718,460</u>	<u>1,169,718,460</u>	<u>1,759,314,460</u>	<u>2,244,461,572</u>	<u>2,558,466,997</u>
Other liabilities						
Customers' deposits	36	-	-	-	6,684,137,159	6,175,867,271
Claims admitted or intimated but not paid	37	509,481,250	815,888,711	755,639,169	557,965,292	854,271,500
Payables and accrued expenses	38	252,457,701	196,447,116	290,697,011	420,140,559	299,533,792
Taxes payable		66,240,187	39,966,291	35,430,552	78,640,743	51,208,066
Bank overdraft	39	27,628,260	39,345,205	36,115,854	27,628,260	39,345,205
		<u>855,807,398</u>	<u>1,091,647,323</u>	<u>1,117,882,586</u>	<u>7,768,512,013</u>	<u>7,420,225,834</u>
TOTAL EQUITY AND LIABILITIES		<u>5,054,818,388</u>	<u>4,856,442,418</u>	<u>6,142,187,025</u>	<u>12,717,631,703</u>	<u>11,844,311,540</u>

"These financial statements were approved by the Board of Directors on May 25, 2016"

On behalf of the Board:

 Director

 Director

 Company Secretary/Finance Controller

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



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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Company		Group	
		2015 G\$	2014 G\$	2015 G\$	2014 G\$
Operating activities					
Net cash provided by/(used in) operating activities	(a)	<u>(140,310,728)</u>	<u>(19,064,860)</u>	<u>251,500,469</u>	<u>172,528,466</u>
Investing activities					
Purchase of fixed assets		(53,234,483)	(31,716,072)	(57,220,849)	(53,103,316)
Proceeds from disposal of fixed assets		1,695,000	1,703,000	1,695,000	1,703,000
Proceeds from redemption of securities		129,588,418	72,904,077	473,231,707	633,608,252
Properties on hand		-	-	(2,198,848)	(292,135)
Investment in Subsidiary (HIH Trust)		(255,000,000)	-	-	-
Purchase of securities		(135,785,883)	(138,440,664)	(321,563,877)	(219,026,140)
Mortgages (advances)/repayments		156,408,215	(43,792,919)	(1,241,525,701)	(961,023,389)
Medium term borrowings		274,000,000	(65,000,000)	274,000,000	(65,000,000)
Interest and dividend received		41,120,382	38,638,887	588,932,153	486,659,338
Other income		33,083,972	32,116,691	139,064,558	115,058,277
Net cash provided by/(used) in investing activities		<u>191,875,621</u>	<u>(133,587,000)</u>	<u>(145,585,857)</u>	<u>(61,416,113)</u>
Financing activities					
Non controlling interest's dividend		-	-	(1,183,716)	(1,775,574)
Repurchasing of HIH Trust shares		-	-	(255,000,000)	-
Net cash used in financing activities		<u>-</u>	<u>-</u>	<u>(256,183,716)</u>	<u>(1,775,574)</u>
Net increase/(decrease) in cash and cash equivalents		<u>51,564,893</u>	<u>(152,651,860)</u>	<u>(150,269,104)</u>	<u>109,336,779</u>
Cash and cash equivalents at beginning of period		<u>210,253,026</u>	<u>362,904,886</u>	<u>1,091,369,702</u>	<u>982,032,923</u>
Cash and cash equivalents at end of period		<u><u>261,817,919</u></u>	<u><u>210,253,026</u></u>	<u><u>941,100,598</u></u>	<u><u>1,091,369,702</u></u>
Comprising:					
Cash on Deposits		210,359,781	166,574,959	806,453,949	792,692,592
Cash at banks and on hand		79,086,398	83,023,272	162,274,909	338,022,315
Bank overdraft		<u>(27,628,260)</u>	<u>(39,345,205)</u>	<u>(27,628,260)</u>	<u>(39,345,205)</u>
		<u><u>261,817,919</u></u>	<u><u>210,253,026</u></u>	<u><u>941,100,598</u></u>	<u><u>1,091,369,702</u></u>

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



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

NOTE TO STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Company		Group	
	<u>2015</u> G\$	<u>2014</u> G\$	<u>2015</u> G\$	<u>2014</u> G\$
(a) Surplus/(Deficit) of revenue over expenditure before taxation	336,495,830	(258,271,136)	308,086,078	(192,140,492)
Adjustments for:				
Depreciation	24,994,984	23,391,465	34,950,170	32,672,454
Provision for loan losses		-	195,784,237	9,000,819
Redemption of Securities - gain	(12,551,775)	(7,785,456)	(15,878,301)	(10,013,056)
Increase in mandatory deposits with				
- Bank of Guyana	-	-	(110,600,000)	(60,000,000)
- Commissioner of Insurance	7,823,163	(20,327,970)	6,463,887	(20,700,496)
Defined benefit asset	-	403,543,000	-	403,543,000
Investment income	(41,120,382)	(38,638,887)	(588,932,153)	(486,659,338)
Other income	(33,083,972)	(32,116,691)	(139,064,558)	(115,058,277)
Disposal of fixed assets - Loss	2,120,706	1,184,240	3,061,912	1,348,299
Operating surplus/(deficit) before working capital changes	284,678,554	70,978,565	(306,128,728)	(438,007,087)
Increase in customers' deposits	-	-	913,236,089	579,219,090
(Increase)/decrease in receivables and prepayments	(139,717,803)	(36,235,387)	(135,231,937)	85,783,621
(Increase)/decrease in stock of stationery	(509,501)	1,377,058	(830,790)	1,989,127
Decrease in current liabilities	(250,396,876)	(34,000,353)	(175,699,441)	(22,744,507)
Cash generated from/(used in) operations	(105,945,626)	2,119,883	295,345,193	206,240,244
Taxes paid/adjusted	(34,365,102)	(21,184,743)	(43,844,724)	(33,711,778)
Net cash provided by/(used in) operating activities	<u>(140,310,728)</u>	<u>(19,064,860)</u>	<u>251,500,469</u>	<u>172,528,466</u>

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



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

NOTES ON THE ACCOUNTS

1. Incorporation and activities

Hand In Hand Mutual Fire Insurance Company Limited

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

The Company provides a range of Insurance services.

GCIS Incorporated

Guyana Co-operative Insurance Service was established in Guyana by virtue of Order No. 57 of 1976 made under the Co-operative Financial Institutions Act 1976 (No. 8 of 1976). Effective 26 October 1997 pursuant to Ministerial Order No. 32 of 1997 made under the Financial Institutions Act No. 20 of 1996, the GCIS was registered as a Public Company, limited by shares under the new name GCIS Incorporated. On the 18 November 1998, The Hand in Hand Mutual Fire Insurance Company Limited acquired 66.7% of shares in GCIS Inc.

The Company's activities include insurance covering fire, motor business and life assurance.

Hand In Hand Trust Corporation Incorporated

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

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

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

The GNCB Trust Corporation Inc. was privatized on 20 November, 2002 with The Hand in Hand Mutual Fire Insurance Company Limited acquiring 65% of the authorized and issued share capital.

These shares were acquired with the right to a banking licence.



THE HAND-IN-HAND

**MUTUAL FIRE INSURANCE COMPANY LIMITED
AND SUBSIDIARIES**

NOTES ON THE ACCOUNTS

1. Incorporation and activities – cont'd

Hand In Hand Trust Corporation Incorporated – cont'd

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

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

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

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

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

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



THE
HAND-IN-HAND
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NOTES ON THE ACCOUNTS

1. **Incorporation and activities – cont'd**

Hand In Hand Investments Incorporated

The Company was incorporated in Guyana on September, 2009 and commenced operations in the year 2016.

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

On 31 October 2011 Hand In Hand Investments Inc. Issued 100,000 shares fully paid up for an amount of G\$ 0.1million These are as follows:

Names	Number of shares
The Hand in Hand Mutual Fire Insurance Company Limited	35,000
Hand in Hand Mutual Life Assurance Company Limited	30,000
GCIS Incorporated	30,000
Hand In Hand Trust Corporation Inc.	<u>5,000</u>
	<u><u>100,000</u></u>

Employees

During the year the number of employees in the group was 231 (2014 – 224).

2. **New and amended standards and interpretations**

Effective for the current year end

Effective for annual periods beginning on or after

New and Amended Standards

Annual Improvements 2010-2012 Cycle	1 February 2015
Annual Improvements 2011-2013 Cycle	1 February 2015



THE
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NOTES ON THE ACCOUNTS

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

Annual Improvements

The annual improvements program of the International Accounting Standards Board deals with amendments and clarifications to IFRS.

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments Disclosure
IFRS 9	Financial Instruments
IFRS 14	Regulatory deferral accounts
IFRS 15	Revenue from contracts with customers
IFRS 10/IAS 28	Amendments - Sale or contribution of assets
IFRS 11	Amendments - Disclosure initiative
IAS 1	Amendments - Disclosure initiative
IAS 16/IAS 38	Clarification of acceptable methods of depreciation and amortization
IAS 16/ IAS 41	Amendments - Bearer plants
IAS 27	Amendments - Equity method in separate financial statements
IAS 34	Interim financial reporting

Pronouncements effective in future periods

Effective for annual periods beginning on or after

New and Amended Standards

IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 11 Joint Arrangements	1 January 2016
IAS 16 & IAS 38 Clarification of Acceptable Methods of Depreciation And Amortisation	1 January 2016
IAS 16 & IAS 41 Agriculture: Bearer Plants	1 January 2016
IAS 27 Separate Financial Statements	1 January 2016
IFRS 10 & IAS 28 Sale or Contribution of Assets Between Investor and Associate or Joint Venture	1 January 2016
Disclosure Initiative Amendments to IAS 1	1 January 2016
IFRS 10, IFRS 12 & IAS 28 Applying Consolidation Exceptions	1 January 2016
Annual Improvements 2012-2014 Cycle	1 July 2016
IFRS 15 Revenue From Contracts With Customers	1 January 2017
IFRS 7 Financial Instruments: Disclosures	1 January 2017
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2018
IFRS 9 Additions for Financial Liability Accounting	1 January 2018

The Company has not opted for early adoption.

The standards and amendments that are expected to have an impact on the Company's accounting policies when adopted are explained below.



THE
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NOTES ON THE ACCOUNTS

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

IFRS 15: Revenue From Contracts With Customers

This standard provides a single, principle based five-step model to be applied to all contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amend IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to clarify that a depreciation method for the use of an asset that is not appropriate for property, plant and equipment.

The application of the amendments may have impact on amounts reported in respect of depreciation. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments. Initial assessment is that the impact will not be material.

Disclosure Initiative (Amendments to IAS 1)

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

Annual Improvements 2012-2014 Cycle

Makes amendments to the following standards:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IAS 34	Interim Financial Reporting



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

IFRS 9-Financial instrument

IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Early adoption must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and
2. Hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

The standard contains specific transitional provisions for:

- i) Classification and measurement of financial assets;
- ii) Impairment of financial assets; and
- iii) Hedge accounting.

The directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

2.1 Summary of significant accounting policies

(a) Accounting convention

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



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2.1 Summary of significant accounting policies – cont'd

(b) Investments

Investments are recognized in the financial statements to comply with International Financial Reporting Standards (IFRS).

The Company and Group's investments have been classified as "Held to maturity", "Available for sale" and "Loans and receivables". Management determines the appropriate classification at the time of purchase based on the purpose for which the investment securities were 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.

"Held to maturity" investments are carried at amortised cost. Any gain or loss on these investments is recognized in the statement of profit or loss and other comprehensive income when the assets are de-recognised or impaired.

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

Gains or losses on "available for sale financial assets" are recognised through the statement of profit or loss and other comprehensive income.

Investment in subsidiaries is stated at cost in the books of the Company.

"Loans and receivables" are stated net of unearned interest and provision for losses. Specific provisions are established on individual loans to recognize anticipated losses, and doubtful debts are written off when the possibility of further recovery seems remote.

Loans and receivables are classified as non-accrual whenever there is reasonable doubt regarding the collectibility of principal or interest and principal is ninety days past due.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(c) Loan provisioning

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

Impairment losses are calculated on individual loans and on loans assessed collectively.

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

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

Collateral

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

Classification

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

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

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

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

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

Renegotiated Loans

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



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(d) Fixed assets and depreciation

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

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

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

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

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

	Hand in Hand Mutual Fire Ins Co. Ltd.	GCIS Inc.	Hand in Hand Trust Corporation
	%	%	%
Building (i)	–	3	–
Office equipment and machinery	2 – 25	10	5 – 20
Motor vehicles	20	25	25
Computers	50	50	20

- (i) No depreciation is charged on the parent company's building since the estimated useful lives of the buildings are such that any depreciation would be immaterial.



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2.1 Summary of significant accounting policies – cont'd

(d) Fixed assets and depreciation – cont'd

Assets are reviewed for impairment whenever there is objective evidence to indicate that the carrying amount of an asset is greater than its estimated recoverable amount, and is written down immediately to its recoverable amount. The gain or loss arising on the disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

(e) Pension plan

A plan was established on 01 January, 1971 and administered under a Trust Deed executed on that date amended later by supplemental deeds. It is a Defined Benefit Plan and covers the employees of The Hand in Hand Mutual Fire Insurance Company Limited and GCIS Inc.

At 31 December, 2014 this plan was wound up and replaced by a Defined Contribution Plan beginning 01 January, 2015.

The main objective and purpose of the plan is to establish a fund for the provision of pension and other benefits for the employees of the Companies as shall become entitled thereto in accordance with the rules. All employees are eligible to join the plan provided they have completed one year of continuous service with the group and have attained the age of 18 years and are under the age of 50 if males or 45 if females. During the year, the companies' contribution to the pension plan was \$22,155,534.

A defined contribution plan was established for directors in 2015. During the year the company contributed \$40 million. It is administered by The Hand in Hand Mutual Fire Insurance Company Limited and is non-contributory.



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(e) Pension plan – cont'd

The Hand in Hand Trust Corporation Inc. established a defined contribution pension plan for its employees in 2000. The assets of the plan are held in a self administered fund which is separate from the Corporation's finances. Retirement benefits are determined by contributions to the fund together with investment earnings thereon.

During 2015 the corporation's contribution to the Plan was \$5,627,625 (2014 - \$4,336,655). The fund balance was \$90,747,073 as at 31 December 2015 (31 December 2014 – \$76,458,714).

(f) Reserve for unexpired risks

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

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

(g) Consolidation

The consolidated financial statements comprise the financial statements of The Hand in Hand Mutual Fire Insurance Company Limited (the company) and its controlled subsidiaries, after the elimination of all material intra-company transactions. Control is achieved through ownership of shares. Subsidiaries are consolidated from the date the parent company obtains control until such time as control ceases.



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2.1 Summary of significant accounting policies – cont'd

(g) Consolidation – cont'd

The consolidated financial statements incorporate the financial statements of GCIS Incorporated, Hand In Hand Trust Corporation Inc and Hand In Hand Investments Inc in which The Hand in Hand Mutual Fire Insurance Company Limited owns 66.7%, 72% and 35% at 31 December, 2015 respectively of the issued share capitals. The group owns 57.4% of the issued share capital of the Hand In Hand Investment Inc.

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

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

(h) Management fees and expenses

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

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

(i) Commissions and allowances

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

(j) Financial instruments

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



NOTES ON THE ACCOUNTS

2.1 Summary of significant accounting policies – cont'd

(j) Financial instruments-cont'd

Trade receivables

Trade receivables are stated at amortised cost. Appropriate allowances for estimated unrecoverable amounts are recognized in the statement of profit or loss and other comprehensive income when there is objective evidence that they are not collectible.

Trade payables

Trade payables are recognised at amortized cost.

Bank borrowings

Interest bearing bank loans and overdrafts are recognized at amortized cost.

De-recognition

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

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

(k) Revenue recognition

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

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

(l) Goodwill

Goodwill is tested annually for impairment.

(m) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

These are readily convertible to a known amount of cash, with maturity dates of three months or less.



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2.1 Summary of significant accounting policies – cont'd

(n) Taxation

Income Tax

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

Deferred Tax

Deferred tax is recognized on the differences between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

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

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



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2.1 Summary of significant accounting policies – cont'd

(n) Taxation - cont'd

Deferred Tax - cont'd

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.

(o) Properties on hand

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

(p) Foreign Currencies

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

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

(q) Reinsurance

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



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2.1 Summary of significant accounting policies – cont'd

(q) Reinsurance - cont'd

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

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

(r) Insurance contract – The Hand In Hand Mutual Fire Insurance Company Ltd.

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

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

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

Liability adequacy test

The company, upon notification of the occurrence of an insured event, sets up a provision based on best estimates and/or reports received from loss adjusters. At regular intervals the amounts provided for all unpaid claims are reviewed to take into account any material changes advised of by the client and/or broker. At all times therefore, balances reflected as payable on individual claims represent the assessed liability of the company having taken all the information relevant to the individual claims into consideration. Liabilities for all claims are kept until they are discharged or cancelled, or have expired.

(s) Insurance contract – GCIS Inc

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

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



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2.1 Summary of significant accounting policies – cont'd

(s) Insurance contract GCIS Inc - cont'd

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

(t) Claims

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

(u) Premium Capital

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

(v) Capital Reserve

Surplus on revaluation of fixed assets is credited to this account.

(w) General Reserve

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



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2.1 Summary of significant accounting policies – cont'd

(x) Capital Redemption Reserve

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

(y) Triennial Profit

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

(z) Reserve fund

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

(aa) Business information

The group's business information are components of an entity that is engaged in providing products or services that are subject to risks and returns that are different from those of other business information.

(ab) Investment reserve

At the end of each reporting period securities are valued using the current market rates prevailing on the Guyana Stock Exchange, London Stock Exchange and at directors' valuation for equity shares. The surplus or deficit is transferred to the Investment Reserve account.



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2.1 Summary of significant accounting policies – cont'd

(ac) Impairment of tangible assets

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

(ad) Provisions

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

De-recognition of provisions

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

(ae) Dividends

Dividends that are proposed and declared are recorded as an appropriation of retained earnings in the statement of changes in equity in the period in which they have been approved. Dividends that are proposed and declared after the reporting date are disclosed as a note to the financial statements.

(af) Borrowing costs

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



NOTES ON THE ACCOUNTS

2.2 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company and Group's accounting policies which are described in note 2.1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

- (i) Trade and other receivables
On a regular basis, management reviews trade and other receivables to assess impairment. Based on the information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment.
- (ii) Useful lives of fixed assets
Management reviews the estimated useful lives of fixed assets at the end of each reporting period to determine whether the useful lives should remain the same.
- (iii) Other financial assets
In determining the fair value of investments in the absence of a market, the Directors estimate the likelihood of impairment by using discounted cash flows.
- (iv) Transfer to Life Assurance Fund
The transfer to the Life Assurance Fund was computed by the actuaries based on data provided by management. The computation of the transfer assumes that the data is not materially misstated.



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	2015			2014		
	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$
3 Premiums						
Company						
Fire	614,061,214	163,041,607	451,019,607	623,965,324	160,034,965	463,930,359
Marine	19,610,208	19,848,684	(238,476)	21,292,424	5,709,389	15,583,035
Accident and liabilities	209,804,858	69,605,485	140,199,373	177,413,211	64,600,137	112,813,074
Auto	634,070,183	38,988,569	595,081,614	652,481,086	43,600,205	608,880,881
	<u>1,477,546,463</u>	<u>291,484,345</u>	<u>1,186,062,118</u>	<u>1,475,152,045</u>	<u>273,944,696</u>	<u>1,201,207,349</u>
Group						
Fire	649,603,191	171,206,777	478,396,414	652,039,499	160,425,436	491,614,063
Marine	19,610,208	19,848,684	(238,476)	21,292,424	5,709,389	15,583,035
Accident and liabilities	209,804,858	69,605,485	140,199,373	177,413,211	64,600,137	112,813,074
Auto	841,429,316	53,286,947	788,142,369	858,135,952	56,940,138	801,195,814
Life	558,611	-	558,611	1,049,747	176,498	873,249
	<u>1,721,006,184</u>	<u>313,947,893</u>	<u>1,407,058,291</u>	<u>1,709,930,833</u>	<u>287,851,598</u>	<u>1,422,079,235</u>

	<u>Company</u>		<u>Group</u>	
	<u>2015</u> G\$	<u>2014</u> G\$	<u>2015</u> G\$	<u>2014</u> G\$
4 Investment income				
"Held to maturity"				
Bonds & debentures	-	-	54,330,742	83,054,699
"Available for sale"				
Shares and stocks	34,687,819	32,405,968	56,801,800	61,549,500
"Loans and receivables"				
Mortgages & loans	6,432,563	6,232,919	477,799,611	342,055,139
Total	<u>41,120,382</u>	<u>38,638,887</u>	<u>588,932,153</u>	<u>486,659,338</u>
Investment income form:				
Quoted investments	30,051,709	26,725,053	54,007,300	38,791,664
Unquoted investments	11,068,673	11,913,834	534,924,853	447,867,674
	<u>41,120,382</u>	<u>38,638,887</u>	<u>588,932,153</u>	<u>486,659,338</u>
5 Other income				
Cash on deposit	10,929,796	10,227,515	15,365,588	14,002,464
Miscellaneous	22,154,176	21,889,176	123,698,970	101,055,813
	<u>33,083,972</u>	<u>32,116,691</u>	<u>139,064,558</u>	<u>115,058,277</u>



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	Company		Group	
	2015 G\$	2014 G\$	2015 G\$	2014 G\$
6 Management fees				
GCIS Inc.	12,000,000	12,000,000	-	-
Hand in Hand Trust Corporation Inc.	6,000,000	7,000,000	-	-
	<u>18,000,000</u>	<u>19,000,000</u>	<u>-</u>	<u>-</u>
7 Commissions and allowances				
Fire	103,519,951	100,133,181	105,020,298	101,544,768
Marine	3,305,937	3,416,982	3,305,937	3,416,982
Accidents and liabilities	35,369,419	28,471,052	35,369,419	28,471,052
Auto	38,685,438	49,840,819	43,831,755	54,402,680
	<u>180,880,745</u>	<u>181,862,034</u>	<u>187,527,409</u>	<u>187,835,482</u>
8 Management expenses				
Operating expenses	248,993,628	213,347,762	326,516,027	298,306,209
Provision for losses (a)	-	-	195,784,237	9,000,819
Employment cost	390,779,102	332,229,582	638,533,148	578,755,182
Depreciation	24,994,984	23,391,465	34,950,170	32,672,454
Directors' emoluments (b)	10,736,868	10,225,596	17,568,915	16,988,724
Investments written off (c)	-	-	33,349,488	72,325,900
Auditors' remuneration	5,308,986	3,899,963	8,075,952	6,527,408
Defined Benefit Asset	-	403,543,000	-	403,543,000
	<u>680,813,568</u>	<u>986,637,368</u>	<u>1,254,777,937</u>	<u>1,418,119,696</u>
(a) Provision for losses				
(Increase) in loan loss provision	-	-	(204,068,679)	(15,546,847)
Reversal of diminution in value of properties on hand	-	-	-	(13,642)
Bad debt recoveries	-	-	8,284,442	6,559,670
	<u>-</u>	<u>-</u>	<u>(195,784,237)</u>	<u>(9,000,819)</u>
(b) Directors' emoluments				
J.G. Carpenter - (Chairman - HIHF)	2,683,968	2,556,156	3,022,898	2,854,980
P.A. Chan-Sue - (Chairman - HIH Trust and Vice-Chairman - GCIS Inc)	1,610,580	1,533,888	2,991,638	2,874,840
C.R. Quintin - (Chairman - GCIS Inc and Vice-Chairman - HIH Trust)	1,610,580	1,533,888	2,885,423	2,759,016
W.A. Lee - (Vice Chairman - HIHF)	1,610,580	1,533,888	1,610,580	1,533,888
I.A. Mc Donald	1,610,580	1,533,888	2,435,724	2,359,032
T.A. Parris	1,610,580	1,533,888	2,774,654	2,657,856
O.Gossai	-	-	197,710	298,824
K. Evelyn	-	-	-	-
Troy Cadogan	-	-	825,144	825,144
Timothy Jonas	-	-	825,144	825,144
	<u>10,736,868</u>	<u>10,225,596</u>	<u>17,568,915</u>	<u>16,988,724</u>
(c) Investment written off				
RBC Dominion and other investments	-	-	33,349,488	72,325,900

The investments held in RBC Dominion have declined significantly in fair values, as a result an amount of \$33,349,488 and \$72,325,900 (2014) respectively, were written off.



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	2015			2014		
	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$	<u>Gross</u> G\$	<u>Reinsurance</u> G\$	<u>Net</u> G\$
9 Claims						
Company						
Fire	187,991,299	16,558,597	171,432,702	191,305,418	3,392,794	187,912,624
Marine	3,154,988	-	3,154,988	6,333,954	-	6,333,954
Accident and liabilities	(314,204,238)	(5,150,000)	(309,054,238)	13,708,860	(2,750,000)	16,458,860
Auto	<u>219,968,885</u>	<u>3,707,630</u>	<u>216,261,255</u>	<u>178,048,053</u>	<u>11,996,750</u>	<u>166,051,303</u>
	<u>96,910,934</u>	<u>15,116,227</u>	<u>81,794,707</u>	<u>389,396,285</u>	<u>12,639,544</u>	<u>376,756,741</u>
Claims paid in financial year						
Fire	199,557,048	16,558,597	182,998,451	141,211,689	3,392,794	137,818,895
Marine	5,200,929	-	5,200,929	2,684,358	-	2,684,358
Accident and liabilities	12,253,363	-	12,253,363	20,580,643	-	20,580,643
Auto	<u>186,307,055</u>	<u>3,707,630</u>	<u>182,599,425</u>	<u>164,670,053</u>	<u>14,196,750</u>	<u>150,473,303</u>
	<u>403,318,395</u>	<u>20,266,227</u>	<u>383,052,168</u>	<u>329,146,743</u>	<u>17,589,544</u>	<u>311,557,199</u>
Group						
Fire	192,482,500	16,558,597	175,923,903	196,225,283	3,392,794	192,832,489
Marine	3,154,988	-	3,154,988	6,333,954	-	6,333,954
Accident and liabilities	(314,204,238)	(5,150,000)	(309,054,238)	13,051,860	(2,750,000)	15,801,860
Auto	318,497,652	3,707,630	314,790,022	267,186,675	11,996,750	255,189,925
Life	<u>1,844,341</u>	<u>-</u>	<u>1,844,341</u>	<u>1,266,506</u>	<u>-</u>	<u>1,266,506</u>
	<u>201,775,243</u>	<u>15,116,227</u>	<u>186,659,016</u>	<u>484,064,278</u>	<u>12,639,544</u>	<u>471,424,734</u>
Claims paid in financial year						
Fire	213,449,641	26,621,069	186,828,572	153,134,353	10,214,836	142,919,517
Marine	5,200,929	-	5,200,929	2,684,358	-	2,684,358
Accident and liabilities	12,253,363	-	12,253,363	20,580,643	-	20,580,643
Auto	277,820,322	6,118,630	271,701,692	257,723,675	18,164,700	239,558,975
Life	<u>1,830,668</u>	<u>-</u>	<u>1,830,668</u>	<u>1,457,672</u>	<u>254,085</u>	<u>1,203,587</u>
	<u>510,554,923</u>	<u>32,739,699</u>	<u>477,815,224</u>	<u>435,580,701</u>	<u>28,633,621</u>	<u>406,947,080</u>



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	Group	
	<u>2015</u>	<u>2014</u>
	G\$	G\$
10 Interest		
Interest expenses	<u>196,538,453</u>	<u>137,608,352</u>

Interest expenses represent interest on customers' deposits at Hand in Hand Trust Corporation Inc.

	Group	
	<u>2015</u>	<u>2014</u>
	G\$	G\$
11 Surrenders		
Surrenders	<u>1,429,337</u>	<u>1,140,484</u>

This is the cancellation of policy due to policyholder no longer interested in coverage.
 Surrenders relate to GCIS Inc.

	Company & Group	
	<u>2015</u>	<u>2014</u>
	G\$	G\$
12 Triennial cash profit		
Triennial cash profit - 15%	<u>3,138,247</u>	<u>3,428,930</u>

13 Policies entitled to profits 2014/2017		
Policies entitled to profits 2014	-	(32,163,149)
Policies entitled to profits 2015	99,305,467	(25,226,952)
Policies entitled to profits 2016	59,842,594	(18,825,209)
Policies entitled to profits 2017	<u>16,683,999</u>	<u>-</u>
	<u>175,832,060</u>	<u>(76,215,310)</u>

14 Transfer - profit and loss (Annual) account on policies entitled to profit		
At 31 December 2012	-	14,879,247
At 31 December 2013	8,303,005	12,906,276
At 31 December 2014	25,226,952	32,163,149
At 31 December 2015	<u>(99,305,467)</u>	<u>-</u>
	<u>(65,775,510)</u>	<u>59,948,672</u>



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15(a) Taxation

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

Life insurance business is taxed at 30%; Fire insurance business at 40% and Trust business at 30% on varying bases.

	Company		Group	
	2015 G\$	2014 G\$	2015 G\$	2014 G\$
Reconciliation of tax expenses and accounting profit				
Accounting profit/(loss)	336,495,830	(258,271,136)	306,086,078	(192,140,492)
Corporation tax @ 40%/30%	134,598,332	(103,308,454)	132,159,199	(83,252,674)
Add:				
Tax effect of expenses not deductible in determining taxable profit	9,997,993	9,224,484	11,645,357	13,025,840
	144,596,325	(94,083,970)	143,804,556	(70,226,834)
Deduct:				
Income exempt from corporation tax	(12,505,460)	(11,687,052)	(38,427,351)	(42,241,267)
	132,090,865	(105,771,022)	105,377,205	(112,468,101)
Adjustments and effect of varying tax rates	(74,725,187)	128,943,671	(39,620,101)	148,138,481
Corporation tax	57,365,678	23,172,649	65,757,104	35,670,380
Taxes deducted at source from income on deposits	741,840	834,236	2,323,512	2,927,430
Capital gains tax at 20%	2,522,601	1,713,597	3,187,906	2,228,082
Deferred tax	57,123,450	(138,868,488)	56,542,941	(138,135,674)
	117,753,569	(113,148,006)	127,811,463	(97,309,782)
Taxation - current	60,630,119	25,720,482	71,268,522	40,825,892
- deferred	57,123,450	(138,868,488)	56,542,941	(138,135,674)
	117,753,569	(113,148,006)	127,811,463	(97,309,782)



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15(a) Taxation - cont'd

Deferred tax

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

Movement in temporary differences

	Company				Total G\$
	<u>Revaluation of Land and Building</u>	<u>Fixed assets</u> G\$	<u>Defined benefit assets</u> G\$	<u>Unused tax losses carried forward</u> G\$	
<u>Deferred assets</u>					
At 1 January 2014	-	(149,569)	-	107,693,545	107,543,976
Movement during the year:-					-
Statement of profit or loss and other comprehensive income	-	623,937	-	(23,172,649)	(22,548,712)
At 31 December 2014	-	474,368	-	84,520,896	84,995,264
Movement during the year:-					
Statement of profit or loss and other comprehensive income	-	(79,269)	-	(57,044,181)	(57,123,450)
At 31 December 2015	-	395,099	-	27,476,715	27,871,814

	Company				Total G\$ <u>Restated</u>
	<u>Revaluation of Land and Building</u>	<u>Fixed assets</u> G\$	<u>Defined benefit assets</u> G\$	<u>Unused tax losses carried forward</u> G\$	
<u>Deferred liabilities</u>					
At 1 January 2013	-	-	246,180,400	-	246,180,400
Movement during the year:-					
Statement of profit or loss and other comprehensive income	-	-	11,648,800	-	11,648,800
Statement of changes in equity	434,264,122	-	266,766,800	-	701,030,922
At 1 January 2013	434,264,122	-	524,596,000	-	958,860,122
Movement during the year:-					
Statement of profit or loss and other comprehensive income	-	-	(161,417,200)	-	(161,417,200)
Statement of changes in equity	-	-	(363,178,800)	-	(363,178,800)
At 31 December 2014	434,264,122	-	-	-	434,264,122
Movement during the year:-					
Statement of profit or loss and other comprehensive income	-	-	-	-	-
At 31 December 2015	434,264,122	-	-	-	434,264,122



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15(a) Taxation - cont'd

Deferred tax

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

Movement in temporary differences

	Group					Total G\$
	<u>Revaluation of Land and Building</u>	<u>Fixed assets</u> G\$	<u>Defined benefit assets</u> G\$	<u>Unused tax losses carried forward</u> G\$	<u>Investment reserves</u> G\$	
Deferred assets						
At 1 January 2014	-	894,931	-	107,693,545	-	108,588,476
Movement during the year:-						
Statement of profit or loss and other comprehensive income	-	901,056	-	(23,172,649)	-	(22,271,593)
At 31 December 2014	-	1,795,987	-	84,520,896	-	86,316,883
Movement during the year:-						
Statement of profit or loss and other comprehensive income	-	185,517	-	(57,044,181)	-	(56,858,664)
At 31 December 2015	-	1,981,504	-	27,476,715	-	29,458,219

	Group					Total G\$ <u>Restated</u>
	<u>Revaluation of Land and Building</u>	<u>Fixed assets</u> G\$	<u>Defined benefit assets</u> G\$	<u>Unused tax losses carried forward</u> G\$	<u>Investment reserves</u> G\$	
Deferred liabilities						
At 1 January 2013	-	6,247,612	246,180,400	-	2,021,391	254,449,403
Movement during the year:-						
Statement of profit or loss and other comprehensive income	-	(24,629)	11,648,800	-	-	11,624,171
Statement of changes in equity	495,649,419	-	266,766,800	-	(2,021,391)	760,394,828
At 1 January 2013	495,649,419	6,222,983	524,596,000	-	-	1,026,468,402
Movement during the year:-						
Statement of profit or loss and other comprehensive income	-	1,009,933	(161,417,200)	-	-	(160,407,267)
Statement of changes in equity	-	-	(363,178,800)	-	-	(363,178,800)
At 31 December 2014	495,649,419	7,232,916	-	-	-	502,882,335
Movement during the year:-						
Statement of profit or loss and other comprehensive income	-	(315,723)	-	-	-	(315,723)
At 31 December 2015	495,649,419	6,917,193	-	-	-	502,566,612



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15(b) Disclosure of tax effects relating to each component of other comprehensive income and statement of changes in equity

	Company					
	2015			2014		
	Before-tax <u>amount</u> G\$	Tax (expense)/ <u>benefit</u> G\$	Net-of-tax <u>amount</u> G\$	Before-tax <u>amount</u> G\$	Tax (expense)/ <u>benefit</u> G\$	Net-of-tax <u>amount</u> G\$
Remeasurement of defined benefit pension plan	-	-	-	(907,947,000)	363,178,800	(544,768,200)
Written back on disposal of investment	(13,718,218)	-	(13,718,218)	(7,691,660)	-	(7,691,660)
Fair value adjustment on investments	(44,808,148)	-	(44,808,148)	27,669,646	-	27,669,646
	<u>(58,526,366)</u>	<u>-</u>	<u>(58,526,366)</u>	<u>(887,969,014)</u>	<u>363,178,800</u>	<u>(524,790,214)</u>

	Group					
	2015			2014		
	Before-tax <u>amount</u> G\$	Tax (expense)/ <u>benefit</u> G\$	Net-of-tax <u>amount</u> G\$	Before-tax <u>amount</u> G\$	Tax (expense)/ <u>benefit</u> G\$	Net-of-tax <u>amount</u> G\$
Remeasurement of defined benefit pension plan	-	-	-	(907,947,000)	363,178,800	(544,768,200)
Written back on disposal of investment	(13,718,218)	-	(13,718,218)	(7,691,660)	-	(7,691,660)
Fair value adjustment on investments	(63,989,175)	-	(63,989,175)	(20,336,562)	-	(20,336,562)
	<u>(77,707,393)</u>	<u>-</u>	<u>(77,707,393)</u>	<u>(935,975,222)</u>	<u>363,178,800</u>	<u>(572,796,422)</u>



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16 (a) Plant, Property and Equipment

COMPANY

	Freehold land and <u>buildings</u> G\$	Furniture, equipment and <u>machinery</u> G\$	Motor <u>vehicles</u> G\$	2015 <u>Total</u> G\$	2014 <u>Total</u> G\$
Cost/valuation					
At 1 January	1,853,503,394	307,814,903	67,828,482	2,229,146,779	2,205,078,827
Additions	8,725,600	34,719,459	9,789,424	53,234,483	31,716,072
Disposals	-	(5,625,308)	(4,754,000)	(10,379,308)	(7,649,116)
At 31 December	<u>1,862,228,994</u>	<u>336,909,054</u>	<u>72,863,906</u>	<u>2,272,001,954</u>	<u>2,229,145,783</u>
Comprising:					
Cost	776,568,689	336,909,054	72,863,906	1,186,341,649	1,143,485,478
Valuation	<u>1,085,660,305</u>	-	-	<u>1,085,660,305</u>	<u>1,085,660,305</u>
	<u>1,862,228,994</u>	<u>336,909,054</u>	<u>72,863,906</u>	<u>2,272,001,954</u>	<u>2,229,145,783</u>
Depreciation					
At 1 January	-	211,538,607	32,346,918	243,885,525	225,254,941
Charged for the year	-	17,552,107	7,442,877	24,994,984	23,391,465
Written back on disposals	-	(3,328,373)	(3,235,230)	(6,563,603)	(4,761,876)
At 31 December	-	<u>225,762,341</u>	<u>36,554,565</u>	<u>262,316,906</u>	<u>243,884,530</u>
Net book values:					
At 31 December, 2015	<u>1,862,228,994</u>	<u>111,146,713</u>	<u>36,309,341</u>	<u>2,009,685,048</u>	
At 31 December, 2014	<u>1,853,503,394</u>	<u>96,276,297</u>	<u>35,481,562</u>		<u>1,985,261,253</u>



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16 (b) Plant, Property and Equipment

GROUP

	Freehold land and <u>buildings</u> G\$	Furniture, equipment and <u>machinery</u> G\$	Motor <u>vehicles</u> G\$	2015 <u>Total</u> G\$	2014 <u>Total</u> G\$
Cost/valuation					
At 1 January	1,828,391,987	405,965,575	103,837,944	2,338,195,506	2,299,202,950
Additions	8,725,600	38,705,825	9,789,424	57,220,849	53,103,316
Disposals	-	(8,047,628)	(4,754,000)	(12,801,628)	(14,111,756)
At 31 December	<u>1,837,117,587</u>	<u>436,623,772</u>	<u>108,873,368</u>	<u>2,382,614,727</u>	<u>2,338,194,510</u>
Comprising:					
Cost	551,144,547	436,623,772	108,873,368	1,096,641,687	1,052,221,470
Valuation	<u>1,285,973,040</u>	-	-	<u>1,285,973,040</u>	<u>1,285,973,040</u>
	<u>1,837,117,587</u>	<u>436,623,772</u>	<u>108,873,368</u>	<u>2,382,614,727</u>	<u>2,338,194,510</u>
Depreciation					
At 1 January	27,334,141	291,010,497	53,249,713	371,594,351	349,981,359
Charged for the year	1,329,215	21,682,174	11,938,781	34,950,170	32,672,454
Written back on disposals	-	(4,809,487)	(3,235,230)	(8,044,717)	(11,060,457)
At 31 December	<u>28,663,356</u>	<u>307,883,184</u>	<u>61,953,264</u>	<u>398,499,804</u>	<u>371,593,356</u>
Net book values:					
At 31 December, 2015	<u>1,808,454,231</u>	<u>128,740,588</u>	<u>46,920,104</u>	<u>1,984,114,923</u>	
At 31 December, 2014	<u>1,801,057,846</u>	<u>114,955,079</u>	<u>50,588,229</u>		<u>1,966,601,154</u>

If no revaluation of land and buildings were done, the net book value of the fixed assets would have been approximately \$788,593,499 (2015) \$780,210,828 (2014).



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17 Investments

	Company			
	31.12.2015		31.12.2014	
	<u>Fair value</u> G\$	<u>Cost</u> G\$	<u>Fair value</u> G\$	<u>Cost</u> G\$
"Available for sale"				
Shares, other stocks and bonds				
Guyana	478,329,086	229,970,380	478,314,295	225,044,887
Canada	67,880,080	24,684,283	92,805,965	24,684,283
United States	109,326,348	42,277,902	107,535,101	42,277,902
United Kingdom	241,623,182	240,801,318	258,280,463	226,977,578
	<u>897,158,696</u>	<u>537,733,883</u>	<u>936,935,824</u>	<u>518,984,650</u>
"Loans and receivables"				
Mortgages	<u>3,225,618</u>	<u>3,225,618</u>	<u>159,633,833</u>	<u>159,633,833</u>
Total investments	<u>900,384,314</u>	<u>540,959,501</u>	<u>1,096,569,657</u>	<u>678,618,483</u>

	Group			
	31.12.2015		31.12.2014	
	<u>Fair value</u> G\$	<u>Cost</u> G\$	<u>Fair value</u> G\$	<u>Cost</u> G\$
"Held to Maturity"				
Bonds & Debentures				
Guyana - Others (a)	305,479,600	305,479,600	310,534,300	310,534,300
Caribbean - Government (b)	451,314,636	451,314,636	568,545,757	568,545,757
Caribbean - Others (c)	60,000,000	60,000,000	221,509,714	221,509,714
	<u>816,794,236</u>	<u>816,794,236</u>	<u>1,100,589,771</u>	<u>1,100,589,771</u>
"Available for sale"				
Government				
United Kingdom	6,385,943	6,540,814	5,823,867	5,672,344
Shares, other stocks and bonds				
Guyana	606,268,580	353,474,317	610,838,479	348,548,824
Canada	95,206,313	66,188,703	171,163,663	62,306,050
United States	150,347,342	88,118,394	107,535,101	83,374,821
Caribbean - Others	535,229,055	545,677,504	405,862,077	408,414,862
United Kingdom	299,249,055	298,336,285	321,164,490	281,769,293
	<u>1,692,686,288</u>	<u>1,358,336,017</u>	<u>1,622,387,677</u>	<u>1,190,086,194</u>
"Loans and receivables"				
Mortgages (d)	5,326,930,540	5,409,941,642	4,185,343,794	4,115,109,021
Less: Provision for doubtful mortgages	<u>179,827,973</u>	<u>179,827,973</u>	<u>83,982,691</u>	<u>83,982,691</u>
	<u>5,147,102,567</u>	<u>5,230,113,669</u>	<u>4,101,361,103</u>	<u>4,031,126,330</u>
Total investments	<u>7,656,583,091</u>	<u>7,405,243,922</u>	<u>6,824,338,551</u>	<u>6,321,802,295</u>



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17 Investments- cont'd

Investment securities

	<u>Year of</u> <u>Maturity</u>	<u>Rate of</u> <u>Interest</u>	<u>Security</u>	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Held to Maturity					
<u>(a) Guyana - Others</u>					
Courts (Guyana) Inc	2016/2017	8.00	Secured	170,000,000	170,000,000
Berbice Bridge Inc. - Tranche 1	2018	9.00	Secured	35,479,600	40,534,300
Berbice Bridge Inc. - Tranche 2	2022	10.00	Secured	100,000,000	100,000,000
				<u>305,479,600</u>	<u>310,534,300</u>
<u>(b) Caribbean- Government</u>					
St. Vincent & Grenadines	2018	8.50	Secured	15,300,000	24,480,000
Gov't of Belize	2031	5.00	Secured	155,647,104	155,647,104
T&T Housing Bond	2025	7.00	Secured	61,120,000	61,120,000
Gov't of Trinidad & Tobago	2017	8.25	Secured	49,536,000	49,536,000
Gov't of St. Lucia Treasury Notes	2015	6.80	Secured	-	81,578,751
Gov't of St. Kitts New Discount Bonds	2032	6.00	Secured	9,205,999	10,366,369
Gov't of St Kitts New Par Bonds	2057	1.50	Secured	8,761,533	8,761,533
Gov't of T&T Bond	2021	8.10	Secured	121,792,000	142,112,000
Gov't of T&T Bond	2021	9.00	Secured	29,952,000	34,944,000
				<u>451,314,636</u>	<u>568,545,757</u>



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17 Investments- cont'd

Investment Securities- cont'd

	<u>Year of Maturity</u>	<u>Rate of Interest</u>	<u>Security</u>	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
(c) <u>Caribbean- Others</u>					
Apua Fixed Rate Bond (note 47)	2009	11.50	Secured	-	6,451,165
RBTT Financial Snr Notes Ltd	2015	6.60	Secured	-	103,795,200
Geonet Fixed Rate	2013	9.90	Secured	-	10,115,000
Neal & Massey Holdings	2017	5.35	Secured	16,000,000	16,000,000
TSTT Bonds	2017	4.50	Secured	44,000,000	44,000,000
TCL Leasing Ltd	2018	10.95	Secured	-	41,148,349
				<u>60,000,000</u>	<u>221,509,714</u>

	<u>Company</u>		<u>Group</u>	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
(d) Mortgages				
(a) Accrual loan and advances	3,225,618	159,633,833	3,732,457,649	2,847,069,927
Non accruals loan and advances	-	-	1,594,472,891	1,338,273,867
	<u>3,225,618</u>	<u>159,633,833</u>	<u>5,326,930,540</u>	<u>4,185,343,794</u>
Provision for impairment (i)	-	-	179,827,973	83,982,691
	<u>3,225,618</u>	<u>159,633,833</u>	<u>5,147,102,567</u>	<u>4,101,361,103</u>
(b) Provision for impairment				
At beginning	-	-	83,982,691	69,604,499
Reversal of provision	-	-	(281,288,100)	(32,396,076)
Provision for the year	-	-	377,133,382	46,774,268
	<u>-</u>	<u>-</u>	<u>95,845,282</u>	<u>14,378,192</u>
At end	<u>-</u>	<u>-</u>	<u>179,827,973</u>	<u>83,982,691</u>
(i) Individually assessed provision	<u>-</u>	<u>-</u>	<u>179,827,973</u>	<u>83,982,691</u>



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18 Fair value determination

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

Company	IFRS 13 Level	31.12.2015		IFRS 13 Level	31.12.2014	
		Carrying Value G\$	Fair Value G\$		Carrying Value G\$	Fair Value G\$
Assets						
Investments						
Loans and receivables	2	3,225,618	3,225,618	2	159,633,833	159,633,833
Statutory deposits	2	242,781,430	242,781,430	2	230,983,593	230,983,593
Investment in subsidiaries	2	948,873,333	948,873,333	2	693,873,333	693,873,333
Deferred tax assets	2	27,871,814	27,871,814	2	84,995,264	84,995,264
Accrued and unpaid interest	2	5,399,608	5,399,608	2	5,342,087	5,342,087
Receivable and prepayments	2	558,512,313	558,512,313	2	418,852,031	418,852,031
Taxes recoverable	2	65,787,781	65,787,781	2	65,778,902	65,778,902
Treasury Bill	2	-	-	2	19,621,000	19,621,000
Cash on deposits	2	210,359,781	210,359,781	2	166,574,959	166,574,959
Cash at banks and on hand	2	79,086,398	79,086,398	2	83,023,272	83,023,272
		<u>2,141,898,076</u>	<u>2,141,898,076</u>		<u>1,928,678,274</u>	<u>1,928,678,274</u>
Liabilities						
Medium term borrowings	2	1,009,454,338	1,009,454,338	2	735,454,338	735,454,338
Deferred tax liabilities	2	434,264,122	434,264,122	2	434,264,122	434,264,122
Claims admitted and intimated but not paid	2	509,481,250	509,481,250	2	815,888,711	815,888,711
Payables and accruals	2	252,457,701	252,457,701	2	196,447,116	196,447,116
Taxes Payable	2	66,240,187	66,240,187	2	39,966,291	39,966,291
Bank overdraft	2	27,628,260	27,628,260	2	39,345,205	39,345,205
		<u>2,299,525,858</u>	<u>2,299,525,858</u>		<u>2,261,365,783</u>	<u>2,261,365,783</u>
Group						
Group	IFRS 13 Level	31.12.2015		IFRS 13 Level	31.12.2014	
		Carrying Value G\$	Fair Value G\$		Carrying Value G\$	Fair Value G\$
Assets						
Goodwill						
Goodwill	2	157,582,464	157,582,464	2	157,582,464	157,582,464
Investments						
Held-to-maturity	2	816,794,236	816,794,236	2	1,100,589,771	1,100,589,771
Loans and receivables	2	5,147,102,567	5,147,102,567	2	4,101,361,103	4,101,361,103
Statutory deposits	2	1,166,168,682	1,166,168,682	2	1,042,411,569	1,042,411,569
Deferred tax assets	2	29,458,219	29,458,219	2	86,316,883	86,316,883
Accrued and unpaid interest	2	36,776,766	36,776,766	2	43,313,810	43,313,810
Receivable and prepayments	2	624,886,374	624,886,374	2	483,117,393	483,117,393
Taxes recoverable	2	74,130,795	74,130,795	2	74,121,916	74,121,916
Treasury bill	2	-	-	2	19,621,000	19,621,000
Cash on deposit	2	806,453,949	806,453,949	2	792,692,592	792,692,592
Cash at banks and on hand	2	162,274,909	162,274,909	2	338,022,315	338,022,315
		<u>9,021,628,961</u>	<u>9,021,628,961</u>		<u>8,239,150,816</u>	<u>8,239,150,816</u>
Liabilities						
Customers' deposits	2	7,232,920,408	7,232,920,408	2	6,319,684,319	6,319,684,319
Medium term borrowings	2	1,009,454,338	1,009,454,338	2	735,454,338	735,454,338
Deferred tax liabilities	2	502,566,612	502,566,612	2	502,882,335	502,882,335
Policyholders' liabilities	2	25,861,952	25,861,952	2	25,861,952	25,861,952
Claims admitted and intimated but not paid	2	557,965,292	557,965,292	2	854,271,500	854,271,500
Payable and accruals	2	420,140,559	420,140,559	2	299,533,792	299,533,792
Taxes payable	2	78,640,743	78,640,743	2	51,208,066	51,208,066
Bank overdraft	2	27,628,260	27,628,260	2	39,345,205	39,345,205
		<u>9,855,178,164</u>	<u>9,855,178,164</u>		<u>8,828,241,507</u>	<u>8,828,241,507</u>



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18 Fair value determination - cont'd

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

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

(i) "Loans and receivables"

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

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

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

Financial instruments where the carrying amounts are equal to fair value. Due to their short term maturity, the carrying value of certain financial instruments approximates their fair values. These include cash and cash equivalents, statutory deposits, receivables and prepayments, accrued and unpaid interest, taxes recoverable/ payable, treasury bill, medium term borrowings, claims, creditors and accruals and bank overdraft.

(iii) Fair value of deferred tax assets/ liabilities, properties on hand, Goodwill, investment in subsidiaries and reserve refund were determined using directors estimate.

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

Fair value measurements recognised in the statement of financial position

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

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

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

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



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18 Fair value determination - cont'd

Assets carried at fair value

Company	31.12.2015 (IFRS 13)			
	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Available for sale financial assets	<u>75,781,707</u>	<u>771,089,239</u>	<u>50,287,750</u>	<u>897,158,696</u>
	31.12.2014 (IFRS 13)			
	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Available for sale financial assets	<u>45,920,992</u>	<u>842,727,083</u>	<u>48,287,749</u>	<u>936,935,824</u>
	31.12.2015 (IFRS 13)			
Group	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
	Available for sale financial assets	<u>736,983,862</u>	<u>904,567,347</u>	<u>51,135,079</u>
	31.12.2014 (IFRS 13)			
	Level 1	Level 2	Level 3	Total
	G\$	G\$	G\$	G\$
Available for sale financial assets	<u>593,024,794</u>	<u>980,332,805</u>	<u>49,030,078</u>	<u>1,622,387,677</u>

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

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

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

	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	G\$	G\$	G\$	G\$
Plant, Property and Equipment	<u>2,009,685,048</u>	<u>1,985,261,253</u>	<u>1,984,114,923</u>	<u>1,966,601,154</u>
Properties on hand	<u>1,900,000</u>	<u>1,900,000</u>	<u>13,698,834</u>	<u>11,499,986</u>

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

The GCIS Incorporated's land and buildings were revalued on 7 March 1994 by Mr. Moneer Khan, Valuer, but the revalued figures were not brought in the accounts until 31 December 1994, when a 5% upward adjustment was made to those figures by the Valuation Division of the Ministry of Finance. The surplus arising on revaluation was credited to Revaluation Reserve. A further revaluation was again done on November 12, 2008 by Mr. Pavel Benn, Valuer. A surplus on revaluation of \$168,688,283 was credited to capital reserve.

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



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19 Investment in Subsidiaries

	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	G\$	G\$	G\$	G\$
GCIS Inc.	215,000,000	215,000,000	-	-
HIH Trust Corporation Inc	733,838,333	478,838,333	-	-
HIH Investment Inc.	35,000	35,000	-	-
	<u>948,873,333</u>	<u>693,873,333</u>	<u>-</u>	<u>-</u>

20 Properties on hand

Cost				
Opening and closing balance	<u>1,900,000</u>	<u>1,900,000</u>	<u>36,013,650</u>	<u>26,509,465</u>
Provision for diminution in value				
Opening balance	<u>-</u>	<u>-</u>	<u>22,314,816</u>	<u>15,009,479</u>
Closing balance	<u>-</u>	<u>-</u>	<u>22,314,816</u>	<u>15,009,479</u>
Fair value	<u>1,900,000</u>	<u>1,900,000</u>	<u>13,698,834</u>	<u>11,499,986</u>

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

21 Statutory deposits

	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Deposit at Bank of Guyana	-	-	865,217,903	754,617,903
Republic Bank Guyana Ltd	82,727,451	82,070,884	82,727,451	82,070,884
Citizens Bank Inc.	148,912,709	148,912,709	207,082,058	205,722,782
Guyana Bank For Trade & Industry Ltd	11,141,270	-	11,141,270	-
	<u>242,781,430</u>	<u>230,983,593</u>	<u>1,166,168,682</u>	<u>1,042,411,569</u>

These are deposits with Financial Institutions held to the direct order of the relevant Regulators.



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22 Receivables and prepayments

	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Reinsurance recoveries (a)	115,498,420	120,648,420	115,498,420	120,648,420
Prepayments	11,582,284	10,370,184	15,637,986	14,410,327
Other receivables	<u>435,203,232</u>	<u>290,258,503</u>	<u>497,521,591</u>	<u>354,060,236</u>
	562,283,936	421,277,107	628,657,997	489,118,983
Less: Provision for impairment				
Individually assessed	<u>3,771,623</u>	<u>2,425,076</u>	<u>3,771,623</u>	<u>6,001,590</u>
	<u><u>558,512,313</u></u>	<u><u>418,852,031</u></u>	<u><u>624,886,374</u></u>	<u><u>483,117,393</u></u>

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

	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Reinsurance recoveries				
Fire	74,000,000	74,000,000	74,000,000	74,000,000
Accident and liabilities	38,498,420	43,648,420	38,498,420	43,648,420
Auto	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
	<u><u>115,498,420</u></u>	<u><u>120,648,420</u></u>	<u><u>115,498,420</u></u>	<u><u>120,648,420</u></u>

23 Interest accrued

	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Bonds	-	-	28,402,787	25,015,100
Deposits at banks	5,399,608	5,342,087	8,348,979	8,169,288
Loans on policies	-	-	25,000	48,281
Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,081,141</u>
	<u><u>5,399,608</u></u>	<u><u>5,342,087</u></u>	<u><u>36,776,766</u></u>	<u><u>43,313,810</u></u>



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24 Defined benefit asset

The information required by International Accounting Standards 19 "Employee Benefits" for a Defined Benefit Plan was prepared as of 31 December, 2014 by an independent actuary and is disclosed below:

	Company & Group	
	31.12.2015 G\$	31.12.2014 G\$
(a) <u>Amounts in the statement of financial position</u>		
Defined benefit obligation	-	1,674,019,000
Fair value of plan assets	-	(1,674,019,000)
Defined benefit liability/(asset)	-	-
(b) <u>Changes in the present value of the defined benefit obligation</u>		
Opening present value of defined benefit obligation	-	1,096,588,000
Current service cost	-	78,491,000
Past service cost	-	426,708,000
Plan participant contributions	-	12,389,000
Interest cost	-	68,101,000
Actuarial losses/(gains) on obligation	-	5,774,000
Benefits paid	-	(14,032,000)
Closing present value of defined benefit obligation	-	1,674,019,000
(c) <u>Changes in the fair value of the plan assets</u>		
Opening fair value of the plan assets	-	2,408,078,000
Expected return on utilisable plan assets	-	145,173,000
Actuarial gain/(losses) on plan assets	-	(902,173,000)
Employer contributions	-	24,584,000
Plan participant contributions	-	12,389,000
Benefits paid	-	(14,032,000)
Closing fair value of plan assets	-	1,674,019,000
Actual return on the plan assets	-	(757,000,000)
(d) <u>Expenses recognised in the statement of income</u>		
Current service cost	-	78,491,000
Net interest cost	-	(77,072,000)
Past service cost	-	426,708,000
Net pension cost	-	428,127,000
(e) <u>Re-measurements recognised in other comprehensive income</u>		
Experience (gains)/ losses - demographic	-	5,774,000
Experience (gains)/ losses - financial	-	902,173,000
Re-measurement (gains)/ losses - demographic	-	-
Defined benefit liability/(asset)	-	907,947,000



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24 Defined benefit asset - cont'd

	Company & Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
(f) <u>Reconciliation of opening and closing statement of financial position entries</u>		
Opening Defined benefit liability/(asset)	-	(1,311,490,000)
Net pension cost	-	428,127,000
Re-measurements recognised in other comprehensive income	-	907,947,000
Employer contributions	-	<u>(24,584,000)</u>
Closing fair value of plan assets	<u>-</u>	<u>-</u>

	<u>2015</u>	<u>2014</u>
	%	%
(g) <u>The major categories of plan assets as a percentage of total plan assets</u>		
Equities	-	87
Fixed interest securities	-	3
Cash deposits	-	7
Other	-	3

(h) Funding
 The Company meets the cost of funding the pension plan. Funding requirements are based on triennial valuations. Assumptions used to determine the funding may differ from those set out above. The Company is not expected to contribute to its defined benefit plan in fiscal year 2014.

	<u>2015</u>	<u>2014</u>
(i) <u>Principal actuarial assumptions at the statement of financial position (expressed as weighted averages)</u>		
Discount rate at December 31		6%
Future salary increases	-	10% for 5 years 6% thereafter
Annual pension increases	-	5%
Sensitivity of present value of defined benefit obligation		
	G\$	G\$
Discount rate	-	-
Salary growth	-	-

The duration of the pension obligation is 18 - 20 years



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	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	G\$	G\$	G\$	G\$
25 Cash on deposits				
Non statutory deposits:				
Term deposits	-	-	544,884,962	579,331,025
Other deposits	<u>210,359,781</u>	<u>166,574,959</u>	<u>261,568,987</u>	<u>213,361,567</u>
	<u><u>210,359,781</u></u>	<u><u>166,574,959</u></u>	<u><u>806,453,949</u></u>	<u><u>792,692,592</u></u>
26 Cash at banks and on hand				
Cash at banks	77,468,792	82,686,112	96,385,666	97,008,055
Cash on hand	<u>1,617,606</u>	<u>337,160</u>	<u>65,889,243</u>	<u>241,014,260</u>
	<u><u>79,086,398</u></u>	<u><u>83,023,272</u></u>	<u><u>162,274,909</u></u>	<u><u>338,022,315</u></u>
27 Premium capital			Company and Group	
			31.12.2015	31.12.2014
			G\$	G\$
Policies entitled to profit 2016			66,880,976	-
Policies entitled to profit 2017			25,752,001	3,545,418
Policies entitled to profit 2018			<u>3,496,932</u>	<u>-</u>
			<u><u>96,129,909</u></u>	<u><u>3,545,418</u></u>



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28 Investment reserve	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$ Restated
At beginning	417,951,176	397,973,190	518,278,311	532,422,625
Fair value adjustments	<u>(58,526,366)</u>	<u>19,977,986</u>	<u>(70,478,218)</u>	<u>(14,144,314)</u>
At end	<u>359,424,810</u>	<u>417,951,176</u>	<u>447,800,093</u>	<u>518,278,311</u>

This represents the fair value adjustment of available for sale investments and is not distributable.

29 General reserve	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
At beginning	769,898,506	1,445,967,309	477,353,350	1,131,775,550
Total Comprehensive Income for the year	121,884,436	(676,068,803)	104,032,801	(651,025,674)
Transfer to statutory reserve	-	-	-	(3,396,526)
Adjustment to Non-controlling interest as a result of shares in the Hand in Hand Trust Corporation Inc. bought by The Hand in Hand Mutual Fire Insurance Company Limited	-	-	(151,047,906)	-
At end	<u>891,782,942</u>	<u>769,898,506</u>	<u>430,338,245</u>	<u>477,353,350</u>

30 Capital redemption reserve	Company and Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Ordinary scrip redeemed	600,000	600,000
Preference scrip redeemed	<u>908,452</u>	<u>908,452</u>
	<u>1,508,452</u>	<u>1,508,452</u>

31 Reserve for unexpired risk	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Balance at beginning	747,638,653	757,765,099	758,185,661	768,517,880
Net increase/(decrease) in reserves	<u>4,420,737</u>	<u>(10,126,446)</u>	<u>2,310,391</u>	<u>(10,332,219)</u>
Balance at end	<u>752,059,390</u>	<u>747,638,653</u>	<u>760,496,052</u>	<u>758,185,661</u>

32 Triennial profit	Company and Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Triennial cash profit	<u>2,990,844</u>	<u>3,138,247</u>

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



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33 Non - controlling interest

	Group	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	G\$	G\$
		<u>Restated</u>
At beginning	378,180,746	372,113,912
Total Comprehensive Income for the year	(12,025,730)	11,571,156
Adjustment to Non-controlling interest as a result of shares in the Hand in Hand Trust Corporation Inc. bought by The Hand in Hand Mutual Fire Insurance Co. Ltd.	137,338,796	-
Adjustment to Non-controlling interest as a result of shares in the Hand in Hand Trust Corporation Inc. bought by The Hand in Hand Mutual Fire Insurance Co. Ltd.	(255,000,000)	-
Transfer to statutory reserve	-	(3,728,748)
Dividend paid	<u>(1,183,716)</u>	<u>(1,775,574)</u>
At end	<u><u>247,310,096</u></u>	<u><u>378,180,746</u></u>

34 Medium term borrowings

	Company & Group	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	G\$	G\$
Hand In Hand Mutual Life Assurance Company Limited	<u><u>1,009,454,338</u></u>	<u><u>735,454,338</u></u>

Loan from related parties at a rate of interest of 8% per annum.

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

35 Reserve fund

	Group	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	G\$	G\$
At beginning	157,795,421	150,670,147
Transfer from Retained Earnings	-	7,125,274
At end	<u><u>157,795,421</u></u>	<u><u>157,795,421</u></u>

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



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36 Customers' deposits

	Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Fixed	6,119,048,035	5,289,858,087
Savings	<u>1,113,872,373</u>	<u>1,029,826,232</u>
	<u>7,232,920,408</u>	<u>6,319,684,319</u>
Customers' deposits - by maturity		
Fixed - within one year	5,570,264,786	5,146,041,039
Savings - on demand	<u>1,113,872,373</u>	<u>1,029,826,232</u>
	6,684,137,159	6,175,867,271
Fixed - over one year	<u>548,783,249</u>	<u>143,817,048</u>
	<u>7,232,920,408</u>	<u>6,319,684,319</u>

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

The average interest rates are as follows:

Fixed	-	1.35% - 1.9%
Savings	-	2.5%

37 Claims admitted or intimated but not paid

	Company		Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Fire	222,854,853	234,420,602	224,162,709	235,067,378
Marine	6,358,881	8,404,822	6,358,881	8,404,822
Accident and liabilities	135,933,748	462,391,349	135,933,748	462,391,349
Auto	144,333,768	110,671,938	190,409,768	147,321,438
Life	-	-	<u>1,100,186</u>	<u>1,086,513</u>
	<u>509,481,250</u>	<u>815,888,711</u>	<u>557,965,292</u>	<u>854,271,500</u>

38 Payables and accrued expenses

Other payables	210,813,525	176,352,724	370,263,968	254,679,729
Accruals	<u>41,644,176</u>	<u>20,094,392</u>	<u>49,876,591</u>	<u>44,854,063</u>
	<u>252,457,701</u>	<u>196,447,116</u>	<u>420,140,559</u>	<u>299,533,792</u>

39 Bank overdraft

	Company & Group	
	<u>31.12.2015</u> G\$	<u>31.12.2014</u> G\$
Republic Bank (Guyana) Limited	1,696,397	-
Bank of Nova Scotia (unsecured)	<u>25,931,863</u>	<u>39,345,205</u>
	<u>27,628,260</u>	<u>39,345,205</u>
Interest Rate	<u>13.5%</u>	<u>13.5%</u>



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40 (a) Analysis of financial assets and liabilities by measurement basis

	Company			
	31.12.2015			
	<u>Available for sale</u>	<u>Loans and</u>	<u>Other</u>	<u>Total</u>
	<u>G\$</u>	<u>receivables</u>	<u>Assets/Liabilities</u>	<u>G\$</u>
		<u>G\$</u>	<u>at amortized cost</u>	
			<u>G\$</u>	
Assets				
Investments				
"Available for Sale"	897,158,696	-	-	897,158,696
"Loans and receivables"	-	3,225,618	-	3,225,618
Statutory deposits	-	-	242,781,430	242,781,430
Receivables and prepayments	-	558,512,313	-	558,512,313
Interest accrued	-	5,399,608	-	5,399,608
Taxes recoverable	-	65,787,781	-	65,787,781
Cash on deposits	-	-	210,359,781	210,359,781
Cash on hand and at bank	-	-	79,086,398	79,086,398
TOTAL ASSETS	<u>897,158,696</u>	<u>632,925,320</u>	<u>532,227,609</u>	<u>2,062,311,625</u>
Liabilities				
Medium term borrowings	-	-	1,009,454,338	1,009,454,338
Claims admitted or intimated but not paid	-	-	509,481,250	509,481,250
Payables and accrued expenses	-	-	252,457,701	252,457,701
Taxes Payable	-	-	66,240,187	66,240,187
Bank overdraft (unsecured)	-	-	27,628,260	27,628,260
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,865,261,736</u>	<u>1,865,261,736</u>



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40 (b) Analysis of financial assets and liabilities by measurement basis

	Company			Total
	31.12.2014			
	<u>Available for sale</u>	<u>Loans and</u> <u>receivables</u>	<u>Other</u> <u>Assets/Liabilities</u> <u>at amortized cost</u>	<u>Total</u>
	G\$	G\$	G\$	G\$
Assets				
Investments				
"Available for Sale"	936,935,824	-	-	936,935,824
"Loans and receivables"	-	159,633,833	-	159,633,833
Statutory deposits	-	-	230,983,593	230,983,593
Receivables and prepayments	-	418,852,031	-	418,852,031
Interest accrued	-	5,342,087	-	5,342,087
Taxes recoverable	-	65,778,902	-	65,778,902
Treasury Bill	-	-	19,621,000	19,621,000
Cash on deposits	-	-	166,574,959	166,574,959
Cash on hand and at bank	-	-	83,023,272	83,023,272
TOTAL ASSETS	<u><u>936,935,824</u></u>	<u><u>649,606,853</u></u>	<u><u>500,202,824</u></u>	<u><u>2,086,745,501</u></u>
Liabilities				
Medium term borrowings	-	-	735,454,338	735,454,338
Claims admitted or intimated but not paid	-	-	815,888,711	815,888,711
Payables and accrued expenses	-	-	196,447,116	196,447,116
Taxes Payable	-	-	39,966,291	39,966,291
Bank overdraft (unsecured)	-	-	39,345,205	39,345,205
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,827,101,661</u></u>	<u><u>1,827,101,661</u></u>



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40 (c) Analysis of financial assets and liabilities by measurement basis

	Group				
	31.12.2015				
	<u>Available for sale</u>	<u>Held to Maturity</u>	<u>Loans and receivables</u>	<u>Other Assets/Liabilities at amortized cost</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Assets					
Investments					
"Available for Sale"	1,692,686,288	-	-	-	1,692,686,288
"Held to maturity"	-	816,794,236	-	-	816,794,236
"Loans and receivables"	-	-	5,147,102,567	-	5,147,102,567
Statutory deposits	-	-	-	1,166,168,682	1,166,168,682
Receivables and prepayments	-	-	624,886,374	-	624,886,374
Interest accrued	-	-	36,776,766	-	36,776,766
Taxes recoverable	-	-	74,130,795	-	74,130,795
Cash on deposits	-	-	-	806,453,949	806,453,949
Cash on hand and at bank	-	-	-	162,274,909	162,274,909
TOTAL ASSETS	<u>1,692,686,288</u>	<u>816,794,236</u>	<u>5,882,896,502</u>	<u>2,134,897,540</u>	<u>10,527,274,566</u>
Liabilities					
Medium term borrowings	-	-	-	1,009,454,338	1,009,454,338
Customers Deposit	-	-	-	7,232,920,408	7,232,920,408
Policyholders' liabilities	-	-	-	25,861,952	25,861,952
Claims admitted or intimated but not paid	-	-	-	557,965,292	557,965,292
Payables and accrued expenses	-	-	-	420,140,559	420,140,559
Taxes payable	-	-	-	78,640,743	78,640,743
Bank overdraft (unsecured)	-	-	-	27,628,260	27,628,260
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,352,611,552</u>	<u>9,352,611,552</u>



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40 (d) Analysis of financial assets and liabilities by measurement basis

	Group				Total G\$
	31.12.2014				
	<u>Available for sale</u> G\$	<u>Held to Maturity</u> G\$	<u>Loans and receivables</u> G\$	<u>Other Assets/Liabilities at amortized cost</u> G\$	
Assets					
Investments					
"Available for Sale"	1,622,387,677	-	-	-	1,622,387,677
"Held to maturity"	-	1,100,589,771	-	-	1,100,589,771
"Loans and receivables"	-	-	4,101,361,103	-	4,101,361,103
Statutory deposits	-	-	-	1,042,411,569	1,042,411,569
Receivables and prepayments	-	-	483,117,393	-	483,117,393
Interest accrued	-	-	43,313,810	-	43,313,810
Taxes recoverable	-	-	74,121,916	-	74,121,916
Treasury Bill	-	-	-	19,621,000	19,621,000
Cash on deposits	-	-	-	792,692,592	792,692,592
Cash on hand and at bank	-	-	-	338,022,315	338,022,315
TOTAL ASSETS	<u>1,622,387,677</u>	<u>1,100,589,771</u>	<u>4,701,914,222</u>	<u>2,192,747,476</u>	<u>9,617,639,146</u>
Liabilities					
Medium term borrowings	-	-	-	735,454,338	735,454,338
Customers Deposit	-	-	-	6,319,684,319	6,319,684,319
Policyholders' liabilities	-	-	-	25,861,952	25,861,952
Claims admitted or intimated but not paid	-	-	-	854,271,500	854,271,500
Payables and accrued expenses	-	-	-	299,533,792	299,533,792
Taxes payable	-	-	-	51,208,066	51,208,066
Bank overdraft (unsecured)	-	-	-	39,345,205	39,345,205
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,325,359,172</u>	<u>8,325,359,172</u>



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41 Goodwill

In accordance with IFRS 3 - Business combinations, goodwill for impairment at December 31, 2015 was calculated using the value in use method.

	Group	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	G\$	G\$
Balance at beginning and at end	<u>157,582,464</u>	<u>157,582,464</u>
Goodwill at cost	161,623,040	161,623,040
Accumulated impairment/ amortisation	<u>4,040,576</u>	<u>4,040,576</u>
	<u>157,582,464</u>	<u>157,582,464</u>

Impairment testing of goodwill

Goodwill arising through business combination was generated by the acquisition of GNCB Trust Corporation Inc. now renamed Hand in Hand Trust Corporation Inc. on November 20, 2002.

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

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

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



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42 Related party transactions

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

Listed below are transactions and balances with related parties.

(i) Subsidiary companies

	Company		Group	
	31.12.2015 G\$	31.12.2014 G\$	31.12.2015 G\$	31.12.2014 G\$
Management fees charged to:				
Hand In Hand Trust Corporation Inc.	6,000,000	7,000,000	-	-
GClS Inc.	12,000,000	12,000,000	-	-
	<u>18,000,000</u>	<u>19,000,000</u>	<u>-</u>	<u>-</u>

(ii) Other disclosure

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

Fees charged	<u>73,969,848</u>	<u>77,323,317</u>	<u>73,969,848</u>	<u>77,323,317</u>
Interest on loan from the Hand in Hand Mutual Life Assurance Company Limited.	<u>61,786,265</u>	<u>58,009,048</u>	<u>61,786,265</u>	<u>58,009,048</u>
Loans granted during the year by the Hand in Hand Mutual Life Assurance Company Limited.	<u>1,009,454,338</u>	<u>735,454,338</u>	<u>1,009,454,338</u>	<u>735,454,338</u>

Key management personnel

(i) Compensation

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

(a) Short term employee benefit - Managers - 26 (2014 - 27)	<u>64,595,222</u>	<u>66,499,550</u>	<u>109,829,462</u>	<u>123,784,198</u>
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(b) Long term employee benefit

Managers - Benefits from the contribution of pension scheme are similar to the benefits of all employees.

Directors' emoluments - 10 (2014 - 10)	<u>10,736,868</u>	<u>10,225,596</u>	<u>17,568,915</u>	<u>16,988,724</u>
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(ii) Mortgages:

Staff /Director - (1) 4.5% (2014-(2) 4.5%- 6%)

	<u>2,883,348</u>	<u>159,291,563</u>	<u>188,943,184</u>	<u>329,505,322</u>
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(iii) Loans and advances

Staff /Director - (51) (2014-(64))

	<u>309,710,821</u>	<u>187,473,499</u>	<u>336,351,748</u>	<u>211,309,415</u>
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Rate of interest	<u>6 - 8%</u>	<u>6 - 8%</u>	<u>6 - 8%</u>	<u>6 - 8%</u>
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43 (a) Business Information

Company

	31.12.2015				
	<u>Fire</u>	<u>Marine</u>	<u>Accident and liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Revenue					
Premium	614,061,214	19,610,208	209,804,858	634,070,183	1,477,546,463
Reinsurance premiums	<u>163,041,607</u>	<u>19,848,684</u>	<u>69,605,485</u>	<u>38,988,569</u>	<u>291,484,345</u>
Premium (net)	451,019,607	(238,476)	140,199,373	595,081,614	1,186,062,118
Investment income					
"Available for sale"	26,472,762	(13,997)	8,229,054	-	34,687,819
"Loans and receivables"	4,909,150	(2,596)	1,526,009	-	6,432,563
Other income	25,248,752	(13,350)	7,848,570	-	33,083,972
Management fees	13,737,091	(7,263)	4,270,173	-	18,000,000
Unclaimed TCP and others	792,468	(419)	246,339	2,090,563	3,128,951
Gain on Exchange	-	-	-	-	-
Gain on disposal of investments					
"Available for sale"	<u>9,579,160</u>	<u>(5,065)</u>	<u>2,977,680</u>	<u>-</u>	<u>12,551,775</u>
	<u>531,758,990</u>	<u>(281,167)</u>	<u>165,297,197</u>	<u>597,172,177</u>	<u>1,293,947,198</u>
Deduct:					
Expenditure					
Commissions and allowances	103,519,951	3,305,937	35,369,419	38,685,438	180,880,745
Management expenses	325,837,682	(172,286)	101,286,591	253,861,581	680,813,568
Claims (net)	171,432,702	3,154,988	(309,054,238)	216,261,255	81,794,707
Triennial cash profit	3,138,247	-	-	-	3,138,247
Property Tax	10,824,101	-	-	-	10,824,101
Taxation	<u>98,622,813</u>	<u>-</u>	<u>-</u>	<u>19,130,756</u>	<u>117,753,569</u>
	<u>713,375,495</u>	<u>6,288,639</u>	<u>(172,398,227)</u>	<u>527,939,030</u>	<u>1,075,204,937</u>
Surplus/(deficit) of revenue over expenditure	<u>(181,616,505)</u>	<u>(6,569,806)</u>	<u>337,695,425</u>	<u>69,233,147</u>	<u>218,742,261</u>
	<u>Fire</u>	<u>Marine</u>	<u>Accident & liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
ASSETS	<u>3,623,853,564</u>	<u>118,429,659</u>	<u>957,306,408</u>	<u>355,228,757</u>	<u>5,054,818,388</u>
LIABILITIES	<u>1,580,390,392</u>	<u>50,723,938</u>	<u>494,551,293</u>	<u>173,860,235</u>	<u>2,299,525,858</u>



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43 (b) Business Information

Company

	31.12.2014				
	<u>Fire</u>	<u>Marine</u>	<u>Accident and liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
Revenue					
Premium	623,965,324	21,292,424	177,413,211	652,481,086	1,475,152,045
Reinsurance premiums	<u>160,034,965</u>	<u>5,709,389</u>	<u>64,600,137</u>	<u>43,600,205</u>	<u>273,944,696</u>
Premium (net)	463,930,359	15,583,035	112,813,074	608,880,881	1,201,207,349
Investment income					
"Available for sale"	25,381,463	852,542	6,171,963	-	32,405,968
"Loans and receivables"	4,881,835	163,977	1,187,107	-	6,232,919
Other income	25,154,891	844,932	6,116,868	-	32,116,691
Management fees	14,881,450	499,856	3,618,694	-	19,000,000
Unclaimed TCP and others	431,254	14,485	104,867	1,031,160	1,581,767
Gain on disposal of investments					
"Available for sale"	<u>6,097,836</u>	<u>204,821</u>	<u>1,482,799</u>	<u>-</u>	<u>7,785,456</u>
	<u>540,759,089</u>	<u>18,163,648</u>	<u>131,495,372</u>	<u>609,912,041</u>	<u>1,300,330,150</u>
Deduct:					
Expenditure					
Commissions and allowances	103,403,533	3,473,239	25,144,443	49,840,819	181,862,034
Management expenses	703,061,005	10,062,052	72,844,026	200,670,285	986,637,368
Claims (net)	187,912,624	6,333,954	16,458,860	166,051,303	376,756,741
Triennial cash profit	3,428,930	-	-	-	3,428,930
Property Tax	9,916,213	-	-	-	9,916,213
Taxation	<u>(113,292,393)</u>	<u>-</u>	<u>-</u>	<u>144,387</u>	<u>(113,148,006)</u>
	<u>894,429,913</u>	<u>19,869,245</u>	<u>114,447,329</u>	<u>416,706,794</u>	<u>1,445,453,280</u>
Surplus/(deficit) of revenue over expenditure	<u>(353,670,824)</u>	<u>(1,705,596)</u>	<u>17,048,043</u>	<u>193,205,247</u>	<u>(145,123,130)</u>
	<u>Fire</u>	<u>Marine</u>	<u>Accident & liabilities</u>	<u>Motor</u>	<u>Total</u>
	G\$	G\$	G\$	G\$	G\$
ASSETS	<u>3,962,556,489</u>	<u>150,923,007</u>	<u>418,742,929</u>	<u>324,219,993</u>	<u>4,856,442,418</u>
LIABILITIES	<u>1,629,808,923</u>	<u>70,566,646</u>	<u>418,742,929</u>	<u>142,247,285</u>	<u>2,261,365,783</u>



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43 (c) Segmented information

Group	Accident and liabilities									
	Fire G\$	Marine G\$	Accident and liabilities G\$	Motor G\$	Life G\$	Trust G\$	Hand in Hand Investments Inc. G\$	Taxation G\$	Total G\$	
Revenue										
Premium	654,144,185	19,610,208	205,263,864	841,429,316	558,611	-	-	-	1,721,006,184	
Reinsurance premiums	171,206,777	19,848,684	69,605,485	53,286,947	-	-	-	-	313,947,893	
Net premiums	482,937,408	(238,476)	135,658,379	788,142,369	558,611	-	-	-	1,407,058,291	
Investment income										
"Held to maturity"	-	-	-	-	-	54,330,742	-	-	54,330,742	
"Available for sale"	24,789,569	(13,997)	8,229,054	2,575,955	1,470,005	19,751,214	-	-	56,801,800	
"Loans and receivables"	4,909,150	(2,596)	1,526,009	-	25,071	471,341,977	-	-	477,799,611	
Other income	26,541,575	(13,350)	7,848,570	6,409,216	468,237	97,810,310	-	-	139,064,558	
Unclaimed TCP and others	792,468	(419)	246,339	2,090,563	-	-	-	-	3,128,951	
Gain on disposal of investments	10,279,075	(5,065)	2,977,680	2,626,611	-	-	-	-	15,878,301	
"Available for sale"	115,046	-	-	-	-	3,821,231	-	-	3,936,277	
Gain on Exchange	-	-	-	-	-	-	-	-	-	
Gain on Disposal of assets	-	-	-	-	-	-	-	-	-	
Deduct: expenditure	550,364,291	(273,903)	156,486,031	801,844,714	2,521,924	647,055,474	-	-	2,157,998,531	
Commissions and allowance	105,020,298	3,305,937	35,569,419	43,831,755	-	-	-	-	187,527,409	
Management expenses	336,385,903	(172,286)	101,286,591	332,635,152	2,698,557	481,944,020	-	-	1,254,777,937	
Interest	-	-	-	-	-	196,538,453	-	-	196,538,453	
Claims (net)	175,923,903	3,154,988	(309,054,238)	314,790,022	1,844,341	-	-	-	186,659,016	
Surrenders	-	-	-	-	1,429,337	-	-	-	1,429,337	
Tremial cash profit	3,138,247	-	-	-	-	6,579,911	-	-	3,138,247	
Taxation	-	-	-	-	-	-	141,073,606	-	147,653,517	
Surplus/(deficit) of revenue over expenditure before non-controlling interest	620,468,350	6,288,639	(172,398,227)	691,256,929	5,972,235	685,062,384	-	141,073,606	1,977,723,916	
Less: Non controlling interest	(70,104,059)	(6,562,542)	328,884,258	110,587,785	(3,450,311)	(38,006,910)	(141,073,606)	-	180,274,615	
Surplus/(deficit) of revenue over expenditure after non-controlling interest	1,595,100	-	500,526	2,051,786	-	(22,653,078)	-	-	(18,505,666)	
ASSETS	(71,699,159)	(6,562,542)	328,383,732	108,535,999	(3,450,311)	(15,333,832)	-	(141,073,606)	198,780,281	
LIABILITIES	3,079,104,962	96,979,524	783,917,815	773,326,525	91,714,855	7,892,141,572	446,450	-	12,717,631,703	
	1,560,772,692	49,322,137	483,220,070	302,866,735	444,502,223	7,572,311,048	50,680	-	10,012,973,585	



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43 (d) Segmented information

Group	Accident and liabilities							Total G\$
	Fire G\$	Maine G\$	Life G\$	Trust G\$	Hand in Hand Investments Inc. G\$	Taxation G\$		
Revenue								
Premium	657,252,549	21,292,424	1,049,747	-	-	-	-	1,709,930,833
Reinsurance premiums	160,425,436	5,709,389	176,498	-	-	-	-	287,851,598
Net premiums	496,827,113	15,583,035	873,249	-	-	-	-	1,422,079,235
Investment income								
"Held to maturity"	-	-	-	83,054,699	-	-	-	83,054,699
"Available for sale"	22,475,814	852,542	1,463,885	28,010,291	-	-	-	61,549,500
"Loans and receivables"	4,881,835	163,977	52,030	335,770,190	-	-	-	342,053,139
Other income	26,301,221	844,932	471,042	75,432,153	-	-	-	115,058,277
Unclaimed TCP and others	431,254	14,485	104,867	-	-	-	-	1,581,767
Gain on disposal of investments								
"Available for sale"	6,615,523	204,821	1,482,799	-	-	-	-	10,357,883
Gain on Exchange	38,160	-	-	10,530,193	-	-	-	10,568,353
Deduct: expenditure	557,570,920	17,663,793	122,663,628	552,797,526	-	-	-	2,046,304,853
Commissions and allowance	104,815,120	3,473,239	25,144,443	-	-	-	-	187,835,482
Management expenses	713,707,322	10,062,052	72,844,026	3,021,228	-	-	-	1,418,119,696
Interest	-	-	-	332,654,555	-	-	-	137,608,352
Claims (net)	192,832,489	6,333,954	15,801,860	1,266,506	-	-	-	471,424,734
Surrenders	-	-	-	1,140,484	-	-	-	1,140,484
Triennial cash profit	3,428,930	-	-	-	-	-	-	3,428,930
Taxation	-	-	-	-	-	(78,422,115)	(78,422,115)	(78,422,115)
Surplus (deficit) of revenue over expenditure before non-controlling interest	1,014,783,862	19,869,245	113,790,529	470,242,907	-	(78,422,115)	-	2,141,135,563
Less: Non controlling interest	968,387	-	101,494	20,684,225	-	-	-	25,455,064
Surplus (deficit) of revenue over expenditure after non-controlling interest	(457,212,941)	(2,205,452)	(2,568,012)	62,554,619	-	78,422,115	-	(94,830,710)
ASSETS	3,245,004,003	122,578,185	418,742,929	7,217,989,469	413,350	-	-	11,844,311,540
LIABILITIES	1,600,091,035	68,729,122	418,742,929	6,587,866,379	27,580	-	-	8,986,036,928



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44 Financial risk management

Financial risk management objectives

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

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

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

The Company and Group Management reports monthly to the board of directors on matters relating to risk and management of risk.

(a) Market risk

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

(i) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities traded in the market. Management continually identifies the risk and diversifies the portfolio in order to minimise the risk.

(ii) Interest rate risk

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



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

	Interest rate %	Maturing 31.12.2015				Total G\$
		Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	
		G\$	G\$	G\$	G\$	
Company Assets						
Investments						
"Available for sale"		-	-	-	897,158,696	897,158,696
"Loans and receivables"	4.5-18.5	1,067,350	2,158,268	-	-	3,225,618
Statutory deposits	1.00-3.25	-	-	242,781,430	-	242,781,430
Receivables and prepayments	6	-	215,308,131	14,700,000	328,504,182	558,512,313
Interest accrued		-	-	-	5,399,608	5,399,608
Taxes recoverable		-	-	-	65,787,781	65,787,781
Cash on deposits	0.15 - 3	210,359,781	-	-	-	210,359,781
Cash at banks and on hand		-	-	-	79,086,398	79,086,398
		<u>211,427,131</u>	<u>217,466,399</u>	<u>257,481,430</u>	<u>1,375,936,665</u>	<u>2,062,311,625</u>
Liabilities						
Medium term borrowings	6 - 8	-	1,009,454,338	-	-	1,009,454,338
Claims intimated but not paid		-	-	-	509,481,250	509,481,250
Payables and accrued expenses		-	-	-	252,457,701	252,457,701
Taxes Payable		-	-	-	66,240,187	66,240,187
Bank overdraft (unsecured)	13.5	27,628,260	-	-	-	27,628,260
		<u>27,628,260</u>	<u>1,009,454,338</u>	<u>-</u>	<u>828,179,138</u>	<u>1,865,261,736</u>
Interest sensitivity gap		<u>183,798,871</u>	<u>(791,987,939)</u>	<u>257,481,430</u>		

	Average interest rate %	Maturing 31.12.2014				Total G\$
		Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	
		G\$	G\$	G\$	G\$	
Company Assets						
Investments						
"Available for sale"		-	-	-	936,935,824	936,935,824
"Loans and receivables"	4.53	28,879,101	7,579,281	123,175,451	-	159,633,833
Statutory deposits	4.35	-	-	230,983,593	-	230,983,593
Receivables and prepayments	0.93	-	91,085,775	-	327,766,256	418,852,031
Interest accrued		-	-	-	5,342,087	5,342,087
Taxes recoverable		-	-	-	65,778,902	65,778,902
Treasury Bill		19,621,000	-	-	-	19,621,000
Cash on deposits	16.31	166,574,959	-	-	-	166,574,959
Cash at banks and on hand		-	-	-	83,023,272	83,023,272
		<u>215,075,060</u>	<u>98,665,056</u>	<u>354,159,044</u>	<u>1,418,846,341</u>	<u>2,086,745,501</u>
Liabilities						
Medium term borrowings	7.55	-	735,454,338	-	-	735,454,338
Claims intimated but not paid		-	-	-	815,888,711	815,888,711
Payables and accrued expenses		-	-	-	196,447,116	196,447,116
Taxes Payable		-	-	-	39,966,291	39,966,291
Bank overdraft (unsecured)	4.39	39,345,205	-	-	-	39,345,205
		<u>39,345,205</u>	<u>735,454,338</u>	<u>-</u>	<u>1,052,302,118</u>	<u>1,827,101,661</u>
Interest sensitivity gap		<u>175,729,855</u>	<u>(636,789,282)</u>	<u>354,159,044</u>		



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(ii) Interest rate risk - cont'd

Group	Interest rate %	Maturing 31.12.2015				Total G\$
		Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	
		G\$	G\$	G\$	G\$	
Assets						
Investments						
"Held to Maturity"	2.2-18.5	83,381,492	311,665,753	270,002,991	151,744,000	816,794,236
"Available for sale"		-	-	295,605,648	1,397,080,640	1,692,686,288
"Loans and receivables"		924,715,915	1,673,072,675	2,549,313,977	-	5,147,102,567
Statutory deposits	1.00-3.25	-	58,169,349	242,781,430	865,217,903	1,166,168,682
Receivables and prepayments	6	-	215,308,131	14,700,000	394,878,243	624,886,374
Interest accrued		16,182,464	12,220,323	-	8,373,979	36,776,766
Taxes recoverable		-	-	-	74,130,795	74,130,795
Cash on deposits	0.15 - 3	536,793,824	269,660,125	-	-	806,453,949
Cash at banks and on hand		62,045,620	2,176,017	-	98,053,272	162,274,909
		<u>1,623,119,315</u>	<u>2,542,272,373</u>	<u>3,372,404,046</u>	<u>2,989,478,832</u>	<u>10,527,274,566</u>
Liabilities						
Medium term borrowings	6 - 8	-	1,009,454,338	-	-	1,009,454,338
Customers Deposit - Savings	2.5	1,113,872,373	-	-	-	1,113,872,373
Customers Deposit - Fixed deposit	1.35-1.92	5,570,264,786	548,289,480	493,769	-	6,119,048,035
Policyholders liabilities		-	-	-	25,861,952	25,861,952
Claims intimated but not paid		-	-	-	557,965,292	557,965,292
Payables and accrued expenses		-	-	-	420,140,559	420,140,559
Taxes payable		-	-	-	78,640,743	78,640,743
Bank overdraft (unsecured)	13.5	27,628,260	-	-	-	27,628,260
		<u>6,711,765,419</u>	<u>1,557,743,818</u>	<u>493,769</u>	<u>1,082,608,546</u>	<u>9,352,611,552</u>
Interest sensitivity gap		<u>(5,088,646,104)</u>	<u>984,528,555</u>	<u>3,371,910,277</u>		

Group	Interest rate %	Maturing 31.12.2014				Total G\$
		Within 1 year	1 to 5 years	Over 5 years	Non-interest bearing	
		G\$	G\$	G\$	G\$	
Assets						
Investments						
"Held to Maturity"	6.30	364,025,386	414,454,223	322,110,162	-	1,100,589,771
"Available for sale"	3.42	-	-	304,886,416	1,317,501,261	1,622,387,677
"Loans and receivables"	9.44	1,182,133,858	1,483,273,811	1,435,953,434	-	4,101,361,103
Statutory deposits	4.35	-	56,810,073	230,983,593	754,617,903	1,042,411,569
Receivables and prepayments		-	91,085,775	-	392,031,618	483,117,393
Interest accrued		25,882,563	9,260,765	-	8,170,482	43,313,810
Taxes recoverable		-	-	-	74,121,916	74,121,916
Treasury Bill		19,621,000	-	-	-	19,621,000
Cash on deposits	1.35-3.25	213,361,567	579,331,025	-	-	792,692,592
Cash at banks and on hand		163,452,383	-	63,864,151	110,705,781	338,022,315
		<u>1,968,476,757</u>	<u>2,634,215,672</u>	<u>2,357,797,756</u>	<u>2,657,148,961</u>	<u>9,617,639,146</u>
Liabilities						
Medium term borrowings	7.55	-	735,454,338	-	-	735,454,338
Customers Deposit - Savings	3.5	1,029,826,232	-	-	-	1,029,826,232
Customers Deposit - Fixed deposit	1.35-2.55	5,145,976,883	143,881,204	-	-	5,289,858,087
Policyholders liabilities		-	-	-	25,861,952	25,861,952
Claims intimated but not paid		-	-	-	854,271,500	854,271,500
Payables and accrued expenses		9,583,590	-	-	289,950,202	299,533,792
Taxes payable		-	-	-	51,208,066	51,208,066
Bank overdraft (unsecured)	4.39	39,345,205	-	-	-	39,345,205
		<u>6,224,731,910</u>	<u>879,335,542</u>	<u>-</u>	<u>1,221,291,720</u>	<u>8,325,359,172</u>
Interest sensitivity gap		<u>(4,256,255,153)</u>	<u>1,754,880,130</u>	<u>2,357,797,756</u>		



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(iii) Foreign currency risk

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

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

Company	31.12.2015			G\$ equivalent
	£	US\$	Can\$	
Assets	<u>683,222</u>	<u>1,371,331</u>	<u>437,936</u>	<u>541,651,831</u>
	31.12.2014			G\$ equivalent
	£	US\$	Can\$	
Assets	<u>754,402</u>	<u>1,063,207</u>	<u>530,320</u>	<u>540,375,129</u>
Group	31.12.2015			G\$ equivalent
	£	US\$	Can\$	
Assets	<u>907,196</u>	<u>9,006,858</u>	<u>437,936</u>	<u>2,168,299,156</u>
	31.12.2014			G\$ equivalent
	£	US\$	Can\$	
Assets	<u>977,904</u>	<u>10,641,553</u>	<u>530,320</u>	<u>2,559,919,990</u>

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 prudent possibility of a change in rate.

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

	Company			Group		
	31.12.2015			31.12.2015		
	£	US\$	Can\$	£	US\$	Can\$
Profit/(loss)	<u>GSM impact 5.9</u>	<u>GSM impact 8.3</u>	<u>GSM impact 2.0</u>	<u>GSM impact 7.9</u>	<u>GSM impact 54.3</u>	<u>GSM impact 2.0</u>
	Company			Group		
	31.12.2014			31.12.2014		
	£	US\$	Can\$	£	US\$	Can\$
Profit/(loss)	<u>GSM impact 7.0</u>	<u>GSM impact 6.4</u>	<u>GSM impact 2.8</u>	<u>GSM impact 9.1</u>	<u>GSM impact 64.2</u>	<u>GSM impact 2.8</u>



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44 Financial risk management - cont'd

(a) Market risk - cont'd

(iv) Interest sensitivity analysis

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

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

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

	Increase/Decrease in Basis Points	Impact on Profit for the year			
		Company		Group	
		<u>31.12.2015</u> G\$000	<u>31.12.2014</u> G\$000	<u>31.12.2015</u> G\$000	<u>31.12.2014</u> G\$000
Cash and cash equivalent					
Local currency	+/-50	1,258	1,198	576,950	556,077
Foreign currency	+/-50	700	476	7,603	6,252
Overdrafts					
Local currency	+/-50	138	197	138	197

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



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44 Financial Risk Management - cont'd

(b) Liquidity risk

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

	Maturing					Total
	31.12. 2015					
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	
	G\$	G\$	G\$	G\$	G\$	G\$
Company						
Assets						
Investments						
"Available for sale"	897,158,696	-	-	-	-	897,158,696
"Loans and receivables"	342,270	178,228	546,852	2,158,268	-	3,225,618
Statutory deposits	-	-	-	-	242,781,430	242,781,430
Receivables and prepayments	515,229,840	11,306,667	11,408,829	5,866,977	14,700,000	558,512,313
Interest accrued	5,399,608	-	-	-	-	5,399,608
Taxes recoverable	-	-	65,787,781	-	-	65,787,781
Cash on deposits	210,359,781	-	-	-	-	210,359,781
Cash at banks and on hand	79,086,398	-	-	-	-	79,086,398
	<u>1,707,576,593</u>	<u>11,484,895</u>	<u>77,743,462</u>	<u>8,025,245</u>	<u>257,481,430</u>	<u>2,062,311,625</u>
Liabilities						
Medium term borrowings	-	-	-	1,009,454,338	-	1,009,454,338
Claims intimated but not paid	509,481,250	-	-	-	-	509,481,250
Payables and accrued expenses	121,343,386	6,435,656	38,982	124,639,677	-	252,457,701
Taxes Payable	-	-	66,240,187	-	-	66,240,187
Bank overdraft (unsecured)	27,628,260	-	-	-	-	27,628,260
	<u>658,452,896</u>	<u>6,435,656</u>	<u>66,279,169</u>	<u>1,134,094,015</u>	<u>-</u>	<u>1,865,261,736</u>
Net assets/(liabilities)	<u>1,049,123,697</u>	<u>5,049,239</u>	<u>11,464,293</u>	<u>(1,126,068,770)</u>	<u>257,481,430</u>	<u>197,049,889</u>

	Maturing					Total
	31.12. 2014					
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	
	G\$	G\$	G\$	G\$	G\$	G\$
Company						
Assets						
Investments						
"Available for sale"	936,935,824	-	-	-	-	936,935,824
"Loans and receivables"	342,270	27,396,210	1,140,621	7,579,281	123,175,451	159,633,833
Statutory deposits	-	-	-	-	230,983,593	230,983,593
Receivables and prepayments	386,636,098	18,698,462	12,957,531	559,940	-	418,852,031
Interest accrued	5,342,087	-	-	-	-	5,342,087
Taxes recoverable	-	-	65,778,902	-	-	65,778,902
Treasury Bill	19,621,000	-	-	-	-	19,621,000
Cash on deposits	166,574,959	-	-	-	-	166,574,959
Cash at banks and on hand	83,023,272	-	-	-	-	83,023,272
	<u>1,598,475,510</u>	<u>46,094,672</u>	<u>79,877,054</u>	<u>8,139,221</u>	<u>354,159,044</u>	<u>2,086,745,501</u>
Liabilities						
Medium term borrowings	-	-	-	735,454,338	-	735,454,338
Claims intimated but not paid	815,888,711	-	-	-	-	815,888,711
Payables and accrued expenses	114,350,065	278,519	-	81,818,532	-	196,447,116
Taxes Payable	-	-	39,966,291	-	-	39,966,291
Bank overdraft (unsecured)	39,345,205	-	-	-	-	39,345,205
	<u>969,583,981</u>	<u>278,519</u>	<u>39,966,291</u>	<u>817,272,870</u>	<u>-</u>	<u>1,827,101,661</u>
Net assets/(liabilities)	<u>628,891,529</u>	<u>45,816,153</u>	<u>39,910,763</u>	<u>(809,133,649)</u>	<u>354,159,044</u>	<u>259,643,840</u>



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44 Financial Risk Management - cont'd

(b) Liquidity risk - cont'd

Group	Maturing					
	31.12.2015					
	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G\$	G\$	G\$	G\$	G\$	G\$
Assets						
Investments						
"Held to Maturity"	-	65,583,257	43,110,235	412,817,753	295,282,991	816,794,236
"Available for sale"	897,158,696	-	-	-	795,527,592	1,692,686,288
"Loans and receivables"	10,368,332	1,005,106	913,342,477	1,673,072,675	2,549,313,977	5,147,102,567
Statutory deposits	133,664,685	19,025,735	649,406,040	63,062,192	301,010,030	1,166,168,682
Receivables and prepayments	515,242,450	11,306,667	69,981,145	13,656,112	14,700,000	624,886,374
Interest accrued	8,373,979	16,066,864	115,600	12,220,323	-	36,776,766
Taxes recoverable	-	-	74,130,795	-	-	74,130,795
Cash on deposits	261,568,987	-	273,048,820	271,836,142	-	806,453,949
Cash at banks and on hand	113,970,009	46,128,883	2,176,017	-	-	162,274,909
	<u>1,940,347,138</u>	<u>159,116,512</u>	<u>2,025,311,129</u>	<u>2,446,665,197</u>	<u>3,955,834,590</u>	<u>10,527,274,566</u>
Liabilities						
Medium term borrowings	-	-	-	1,009,454,338	-	1,009,454,338
Customers Deposit - Savings	1,113,872,373	-	-	-	-	1,113,872,373
Customers Deposit - Fixed deposits	-	158,547,788	5,411,716,998	548,289,480	493,769	6,119,048,035
Policyholders' liabilities	25,861,952	-	-	-	-	25,861,952
Claims intimated but not paid	557,965,292	-	-	-	-	557,965,292
Taxes payable	-	-	78,640,743	-	-	78,640,743
Payables and accrued expenses	172,940,884	6,435,656	180,889,206	59,874,813	-	420,140,559
Bank overdraft(unsecured)	27,628,260	-	-	-	-	27,628,260
	<u>1,898,268,761</u>	<u>164,983,444</u>	<u>5,671,246,947</u>	<u>1,617,618,631</u>	<u>493,769</u>	<u>9,352,611,552</u>
Net assets/ (liabilities)	<u>42,078,377</u>	<u>(5,866,932)</u>	<u>(3,645,935,818)</u>	<u>829,046,566</u>	<u>3,955,340,821</u>	<u>1,174,663,014</u>
Maturing						
31.12.2014						
Group	On Demand	1 to 3 months	4 to 12 months	1 to 5 years	Over 5 years	Total
	G\$	G\$	G\$	G\$	G\$	G\$
Assets						
Investments						
"Held to Maturity"	16,566,165	110,074,781	237,384,440	353,334,223	383,230,162	1,100,589,771
"Available for sale"	1,366,382,372	-	-	-	256,005,305	1,622,387,677
"Loans and receivables"	358,487,791	166,184,436	677,351,440	1,477,960,866	1,421,376,570	4,101,361,103
Statutory deposits	123,579,148	267,554,178	349,970,747	244,446,967	56,860,529	1,042,411,569
Receivables and prepayments	386,621,128	18,698,462	77,237,863	559,940	-	483,117,393
Interest accrued	15,301,740	17,055,967	1,695,338	9,260,765	-	43,313,810
Taxes recoverable	-	-	74,121,916	-	-	74,121,916
Treasury Bill	19,621,000	-	-	-	-	19,621,000
Cash on deposits	213,361,567	94,426,368	-	484,904,657	-	792,692,592
Cash at banks and on hand	110,645,781	-	-	227,376,534	-	338,022,315
	<u>2,610,566,692</u>	<u>673,994,192</u>	<u>1,417,761,744</u>	<u>2,797,843,952</u>	<u>2,117,472,566</u>	<u>9,617,639,146</u>
Liabilities						
Medium term borrowings	-	-	-	735,454,338	-	735,454,338
Customers Deposit - Savings	1,029,826,232	-	-	-	-	1,029,826,232
Customers Deposit - Fixed deposits	-	2,229,618,146	2,916,422,893	143,396,584	420,464	5,289,858,087
Policyholders' liabilities	25,861,952	-	-	-	-	25,861,952
Claims intimated but not paid	854,271,500	-	-	-	-	854,271,500
Taxes payable	-	-	51,208,066	-	-	51,208,066
Payables and accrued expenses	172,948,234	14,098,515	95,433,375	17,053,668	-	299,533,792
Bank overdraft(unsecured)	39,345,205	-	-	-	-	39,345,205
	<u>2,122,253,123</u>	<u>2,243,716,661</u>	<u>3,063,064,334</u>	<u>895,904,590</u>	<u>420,464</u>	<u>8,325,359,172</u>
Net assets/ (liabilities)	<u>488,313,569</u>	<u>(1,569,722,469)</u>	<u>(1,645,302,590)</u>	<u>1,901,939,362</u>	<u>2,117,052,102</u>	<u>1,292,279,974</u>



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44 Financial Risk Management - cont'd

(c) CREDIT RISK

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

The table below shows the maximum exposure to credit risk:

	Maximum Exposure			
	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	G\$	G\$	G\$	G\$
Investments				
Held to maturity	-	-	816,794,236	1,100,589,771
Available for sale	897,158,696	936,935,824	1,692,686,288	1,622,387,677
Loans and receivables	3,225,618	159,633,833	5,147,102,567	4,101,361,103
Statutory deposits	242,781,430	230,983,593	1,166,168,682	1,042,411,569
Receivables (net of prepayments)	546,930,029	408,481,847	609,248,388	468,707,066
Interest accrued	5,399,608	5,342,087	36,776,766	43,313,810
Taxes recoverable	65,787,781	65,778,902	74,130,795	74,121,916
Treasury Bill	-	19,621,000	-	19,621,000
Cash on hand and at bank	79,086,398	83,023,272	162,274,909	338,022,315
Cash on deposits	210,359,781	166,574,959	806,453,949	792,692,592
Total Credit Risk	2,050,729,341	2,076,375,317	10,511,636,580	9,603,228,819

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

Cash and cash equivalents are held by commercial banks. These Banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due. The related risk is therefore considered very low. Investments as reflected in the company and group are assets for which the likelihood of default is considered minimal by the Directors. Receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis.

	Company		Group	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	G\$	G\$	G\$	G\$
Loans and receivables - (i)	3,225,618	159,633,833	5,147,102,567	4,101,361,103
Accrued interest - Note 23 - (ii)	5,399,608	5,342,087	36,776,766	43,313,810
Receivables (excluding prepayments) - Note 22 - (iii)	546,930,029	408,481,847	609,248,388	468,707,066
	<u>555,555,255</u>	<u>573,457,767</u>	<u>5,793,127,721</u>	<u>4,613,381,979</u>
Provision for receivables	6,631,468	2,425,076	6,631,468	6,000,410
Provision for impairment on mortgages	-	-	179,827,973	83,982,691
Total provision for impairment	6,631,468	2,425,076	186,459,441	89,983,101

(i) The above balances are classified as follows:

Pass	509,047,164	540,145,644	4,422,804,212	3,637,853,500
Special Mention (Past due 30 - 89 days)	11,484,895	18,698,462	677,951,588	483,711,454
Sub-Standard (Past due 90 - 179 days)	7,165,613	12,957,531	520,914,140	282,761,723
Doubtful (Past due over - 180 days but less than 1 year)	4,790,068	1,313,860	83,613,379	89,823,052
Loss	23,067,515	342,270	87,844,402	119,232,250
	<u>555,555,255</u>	<u>573,457,767</u>	<u>5,793,127,721</u>	<u>4,613,381,979</u>
Included above are non-performing mortgages of:	-	-	660,788,063	473,628,030

(ii) As detailed in note 23, accrued Interest represents amounts due or accrued on the various investments of the Company and Group. These amounts would either be received in the new financial year, or would materialise on the maturity of the investment(s) in accordance with their terms and conditions

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



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45 INSURANCE RISK

The principal risks that the Company and GCIS Inc.(its subsidiary) face under its insurance contracts are that actual claims are greater than estimated, actual claims are not adequately mitigated by re-insurance, and that total claims from the portfolio of contracts exceed the estimate used in pricing those contracts. The risks and mitigating factors are discussed below.

Risk management objectives and policies

The Company and GCIS Inc.mitigate its risks by engaging in both facultative placements and excess of loss reinsurance treaties. Reinsurance coverage for perils and other risks excluded from the excess of loss treaty are facultatively reinsured on a yearly renewal basis. The Company also engages in redlining where it reserves the right to offer no coverage in specific geographic areas.

The Company and GCIS Inc. declines, rates up, applies excesses, accepts small participation or a combination of more than one of the preceeding as part of its overall prudent underwriting principles.

Terms and conditions of insurance contracts

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

Sensitivity analysis

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

Concentration of insurance risks

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

Claims development

Claims are provided for and kept as a liability until they are settled or have expired. At the time of loss, a provision is made based on best estimates. There is some amount of uncertainty surrounding the timing of payments and the exact amount to be paid for most claims. There are occassions where the provision is in excess of the incurred loss. This is adjusted at the time of claim settlement or at the point of revision of provisions, whichever is earlier. Similarly, there are times when the provision is insufficient to cover the losses estimated. These too are adjusted at the earlier of claims payment or overall claims revision.



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46 Pending litigations

As at 31 December, 2015, there was no legal matter outstanding against the Group.

47 APUA Investments

Under the Consent Order, the independent counsel acting on behalf of the bondholders received the sum of EC\$711,911.25 and these funds are held in an Escrow account of the Counsel. On March 11, 2015, the Trustee has advised the Government of Antigua to appeal the original decision in favour of the bondholders. This appeal is pending and awaiting judgement.

On March 21, 2016, the Trustee indicated that the court proceedings have concluded and the period for appeal has expired and as such preparation have begun to make payments to the bondholders.

The Trustee is currently working on identifying all outstanding expenses related to the court proceedings and other related expenses so as to determine the amount available for distribution. This process should be completed within a short period as indicated by the trustee.

48 Restatement

In 2015, the Group accounted for deferred tax on revaluation of fixed assets. The adjustment required retrospective accounting. The financial statements were restated to take account of these changes. The adjustments were recognised immediately through the statement of changes in equity.

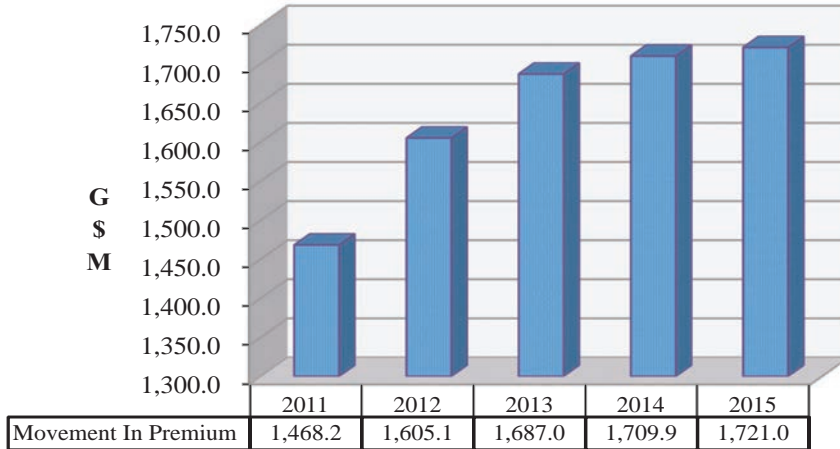
The effect of the restatement was as follows:

	<u>Company</u>
	<u>2013</u>
	G\$
Deferred liability - increased by	434,264,122
Capital reserve - decreased by	434,264,122
	<u>GCIS Inc.</u>
	<u>2013</u>
	G\$
Revaluation reserve - decreased by	61,385,297
Investment reserve - increased by	2,021,391
Deferred tax liability - increased by	59,363,906

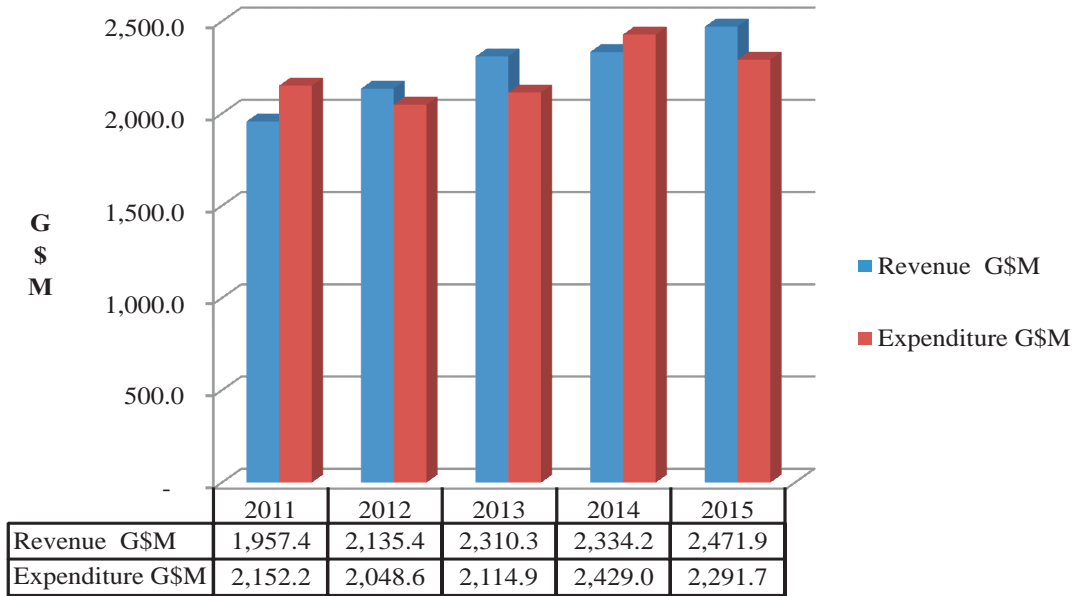


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Movement In Premium G\$M



Revenue VS Expenditure





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GLOSSARY

MUTUAL FIRE INSURANCE COMPANY

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

TRIENNIAL CASH PROFIT

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

STATEMENT OF COMPREHENSIVE INCOME

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

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

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

PROFIT AND LOSS (ANNUAL) ACCOUNT

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

PROFIT AND LOSS (TRIENNIAL) ACCOUNT

At the beginning of each financial period, a separate Triennial Premium Account is opened in which premiums received in respect of profits sharing policies issued or renewed during that period and not accounted for in any current triennial account are credited during the next three years. This account shows transaction for the triennium ended 31 December, 2015.

CONSOLIDATION

The Consolidated Financial Statements incorporate the Financial Statements of GCIS Incorporated, Hand In Hand Trust Corporation Inc. and Hand In Hand Investments Inc. in which The Hand in Hand Mutual Fire Insurance Company Limited owns 66.7%, 72% and 35% at 31 December, 2015 respectively of the Issued Share Capitals.