Reaching New Frontiers

Annual Report 2010

ENTERPRISE GROUP LIMITED

REACHING NEW FRONTIERS

The year 2010 was a significant year for the Enterprise Group: The listing of Enterprise Group Limited (EGL) and the incorporation of Enterprise Trustees Ltd and Enterprise Properties Ltd underscore the Group's determination to be good stewards of the trust that you our shareholders have reposed in us, and our resolve to lead the way in the Financial Services Industry.

We remain your time tested, and truly trusted partner, as we continue to push forth the frontiers in the insurance industry and in service provision to our shareholders and our clients. We are confident, that we will continue to return exceptional value to our shareholders in the years to come.

ENTERPRISE GROUP LIMITED

ENTERPRISE INSURANCE
Time Tested, Truly Trusted ...Since 1924

ELAC

ENTERPRISE TRUSTEES LIMITED

ENTERPRISE PROPERTIES LIMITED

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting of Enterprise Group Limited will be held at the Accra International Conference Centre, on Thursday, June 2, 2011 at 10.30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Report of the Directors and the Financial Statements together with the Report of the Auditors thereon for the year ended 31st December 2010
2. To declare a final dividend
3. To re-elect retiring Directors
4. To authorise the Directors to fix the remuneration of the Auditors
5. To approve Directors' Remuneration

SPECIAL BUSINESS

6. To approve the appointment of new Auditors
7. To authorise the Directors to approve an Executive Share Option Scheme*
8. To pass a special resolution to ratify the amendment of the Company's regulations:
   a. To increase the authorised shares of the Company (Regulation 7);
   b. To authorise the issuance of the Company's shares in uncertificated or dematerialised form under the Central Securities Depository Act, 2007 (Act 733) (Regulation 14);
   c. To enable the Company to purchase its own shares

By Order of the Board

Abena Bonsu, Company Secretary

Dated the 6th Day of April, 2011.

* The Rules governing the Executive Share Option Scheme are available for Shareholders perusal at the Registrar's Office (NTHC Limited, 1st Floor, Martco House, Adabraka)

NOTE: A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. In order to be valid, the PROXY FORM must be deposited at the Office of the Registrar, NTHC Limited, 1st Floor, Martco House, P.O. Box KIA 9563, Airport – Accra NOT LESS THAN 48 HOURS before the time of the holding of the meeting. Failure to do so will result in the proxy not being admitted to or participating in the meeting.

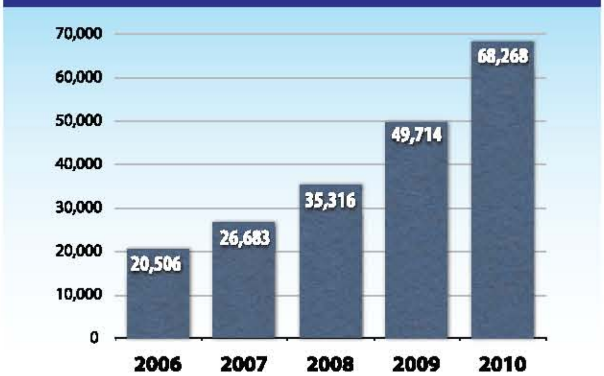
FIVE - YEAR FINANCIAL SUMMARY

	2006	2007	2008	2009	2010
Gross Premium	20,506	26,683	35,316	49,714	68,268
Net Premium	12,446	17,620	23,890	37,248	55,779
Net Premium Earned	12,152	16,851	23,416	34,771	54,891
Claims	(3,134)	(4,033)	(7,180)	(11,143)	(14,333)
Operational Expenses	(4,941)	(6,440)	(8,494)	(12,277)	(17,984)
Underwriting Profit	**1,051**	**626**	**75**	**(1,573)**	**(4,551)**
Investment Income	1,447	1,422	2,646	5,658	7,704
Pre-Tax Profit	2,872	4,150	7,238	4,197	9,686
Profit After Tax & Minority Interest	**1,821**	**2,974**	**4,414**	**2,236**	**3,654**
Dividend	655	655	1,048	1,180	1,312
Total Equity and Surplus	10,195	13,061	26,879	34,120	56,897
Total Assets	25,520	35,951	59,986	73,883	114,828
Number of Shares	**130,905,620**	**131,083,325**	**131,083,325**	**131,083,325**	**131,210,825 ***
Earning Per Share (¢)	0.014	0.023	0.034	0.017	0 .03
Dividend Per Share (¢)	0.005	0.005	0.008	0.009	0.010
Net Book Value Per Share (¢)	0.078	0.100	0.205	0.260	0.434
Return On Assets (%)	7.13	8.27	7.35	3.03	3.18
Return On Equity (%)	17.86	22.77	16.42	6.55	6.42
Underwriting Margin (%)	8.44	3.55	0.31	(4.22)	(0.08)
Share Price (Market) (GH¢)	0.176	0.260	0.628	0.440	0.500
Price Earning Ratio	12.57	11.30	18.47	25.88	16.67

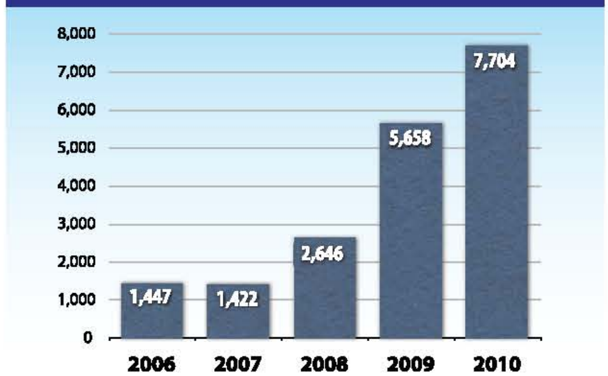
***In November 2010 EGL offered 5 shares for each share in EIC. The number of shares between 2006 and 2009 together with related data, have therefore been restated to reflect this.**

FINANCIAL HIGHLIGHTS

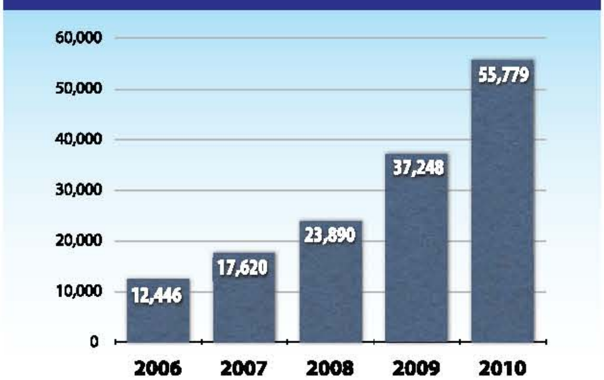
Gross Premium



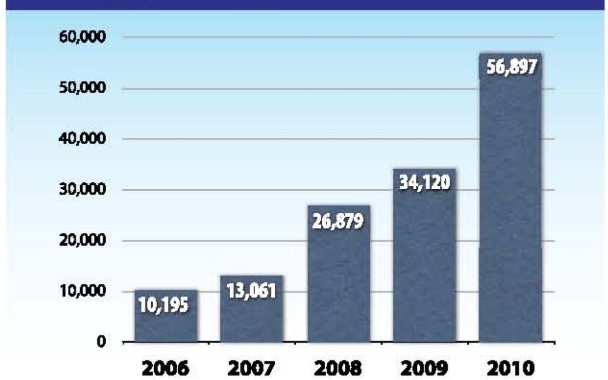
Investment Income



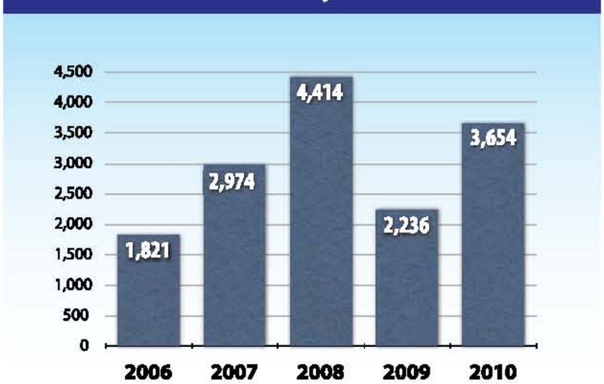
Net Premium



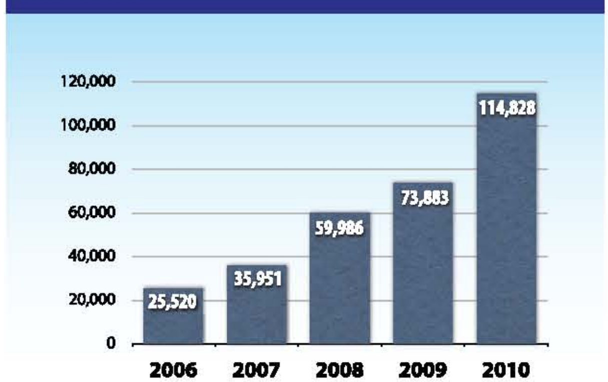
Total Equity and Surplus



Profit After Tax & Minority Interest



Total Assets



CORPORATE INFORMATION

BOARD OF DIRECTORS	Trevor Trefgarne – Chairman	
	George Otoo	(Chief Executive Officer)
	Ken Ofori-Atta	(Appointed October: 2010)
	Keli Gadzekpo	(Appointed October: 2010)
	H. E. (Mrs.) Margaret Clarke-Kwesie	(Appointed October: 2010)
	Martin Eson-Benjamin	(Appointed November: 2010)
	Emmanuel Idun	(Appointed November: 2010)

SECRETARY Abena Bonsu (Ms.)

SOLICITORS
Sam Okudzeto & Associates
Sena Chambers
Mobil House, 3rd Floor
Liberia Road
P.O.Box 5520
Accra-North

AUDITORS
KPMG
Chartered Accountants
13 Yiyiwa Drive
Abelenkpe
P. O. Box 242
Accra, Ghana

REGISTRAR
NTHC
1st Floor, Martco House, Adabraka
P. O. Box KIA 9563
Airport, Accra

REGISTERED OFFICE
Enterprise House
No. 11 High Street
PMB 50, G.P.O.
Accra

BANKERS Barclays Bank of Ghana Limited

Trevor Trefgarne
Chairman, Enterprise Group Limited

Dear Shareholder

As shareholders are aware, the transition to a holding company structure for the Enterprise Group, culminated in the trading of the new EGL shares on the Ghana Stock Exchange in November 2010. The subsequent price appreciation of EGL's stock is an indication of the market's confidence in the strategic direction of the Enterprise Group. The board sees the reorganization as a landmark in the history of your company, which is expected to facilitate its future growth and development.

Economic Review and Outlook

In November 2010, the Ghana Statistical Service released revised data for GDP, which found Ghana's economy to be significantly larger than what was previously assumed. The revision, which followed concerns that the size of the economy was understated, had a positive impact on some economic indicators, including the fiscal and current account deficits, relative to GDP, and average income levels. The 2010 GDP was thus recalibrated from GH¢26.6billion to GH¢44.8billion. Consequently GDP per capita increased from GH¢1,070 to GH¢1,872.

Available economic data indicates that while there was significant progress in maintaining macroeconomic stability in Ghana during 2010, economic activity within the real sector was sluggish. Nevertheless, total Government revenue and grants for full year 2010 represented 20.0% of GDP, or GH¢8.96billion, while the targeted out turn was GH¢5.89billion. Inflation closed the year at 8.6%, which compared favourably with the target of 9.2% for the year. Government expenditure for 2010 was GH¢11.74billion compared to the budgetary target of GH¢8.22billion for the same period.

Ghana's public debt increased by 29.0% as at December, 2010 mainly due to the contracting of concessionary loans on a bilateral basis. Specifically, total public debt was up to GH¢15.54billion as at December 2010 from GH¢12.05billion in December 2009. This is a considerable increase in the size of Ghana's public debt, but in the wake of the rebasing of the GDP, it represents a lower public debt to GDP ratio of 34.7% (the estimate based on the non-rebased GDP figure was 43.9%).

Ghana's 2011 budget is targeting a higher real GDP growth rate of 12.3% from a provisional outturn of 5.9% in 2010. If this is achieved, it will be unprecedented for the country (with the onset of the oil economy contributing about 5.3% of the overall growth outturn for 2011). The 2011 budget seeks to improve the management of public finances; infrastructure development; creating a competitive private sector; job creation; and the development of the oil & gas industry.

Global Economy.

The global economy remains fragile as developed economies are still burdened with the legacy of the 2008 banking crisis. The larger emerging economies of the BRIC countries show signs of a slow down. Recent events, such as the Japanese earthquake; the political turmoil in the Middle East and in Cote d'Ivoire, add to uncertainty and put pressure on commodity prices so there is a risk of higher inflation. That said, we are confident that Ghana is well positioned for economic growth, which will increase opportunities for EGL and the insurance industry.

Financial Results for 2010

On a Consolidated basis Gross Premium income grew by 37.3% to GH¢68.3million in 2010 while net Written Premium increased by 49.8% to GH¢ 55.8million with Life now representing 70.6% of the Group's Written Premium. Profit before Tax amounted to GH¢ 9.7million representing a growth of 130.0% over prior year. Cash flows & liquidity remained strong, mostly driven by the life business. Shareholder funds, grew by 67.0% to GH¢ 56.9million.

Dividends

An interim dividend of GH¢ 0.004 per EGL share was paid in December 2010. The board now recommends a final dividend of GH¢ 0.006 per EGL share. This amounts to a total dividend of GH¢ 0.01 per EGL share for 2010 compared to a total GH¢ 0.009 for 2009 on the equivalent of 5 old EIC shares, representing a growth of 11%, versus prior year.

Business Trends

As indicated in the above comments on the economy, business conditions were somewhat sluggish in 2010. The Life business delivered another year of growth with a further 72.0% in net premium, demonstrating the merit of starting ELAC 10 years ago. The new products introduced in 2010, the Educare Plan and the Family Income Protection Plan, were well received in the market and as we continue to expand our presence with new branches and sales offices we are able to sell to an increasing proportion of the population.

In general insurance, we have noticed an increasingly competitive environment with downward pressure on premium rates in some classes. The markets for Corporate business, and Motor, with higher cost of repairs, delivered growth, but with very slim margins. The insurance market is changing and Enterprise will respond with innovations such as 3-Day Claims Settlement, and take other appropriate steps to maintain growth and profitability.

The Group Chief Executive Officer goes into further detail in his Operations Review in this Report. There he sets out our management's views on the results for the year under review and how we see the immediate future.

New Business Activities

Shareholders may be aware that a new pensions law, The National Pensions Act 766 was enacted in December 2008. This Act provides for the introduction of a contributory three-tier pension scheme and the establishment of a National Pensions Regulatory Authority (NPRA) to oversee the administration and management of registered pension schemes. We anticipate that this will become a substantial business area so we have incorporated Enterprise Trustees Limited ("ETL") as a 60.0% subsidiary of EGL with Sanlam, our partner in ELAC, taking up 40.0%. It is our intention that ETL will be registered as a Pension Trustee and will commence operations as soon as practical. A number of key executives within the Group have already joined ETL, including Mr Kwaku Yeboah-Asuamah as Executive Director. We expect that the new pension environment will have great benefits for retirees in the long term and will change the landscape of capital markets in Ghana.

In the Real Estate area we have incorporated Enterprise Properties Limited which will in due course have its own management team. Over time we will capitalise on our existing land holdings and work to improve capital values and income from these assets. In compliance with the 2010 Supreme Court ruling, a Liquidator has been appointed to wind up our 100.0% owned Consortium House Limited. The assets of that company, our High Street office building, will be reallocated within the Group.

Proposal For An Executive Share Option Scheme

The Notice of the First Annual General Meeting is set in this Report. In addition to the usual Resolutions, there is a Resolution to approve an Executive Share Option Scheme. The Rules of the Scheme are set out in a document, which has been on display at the Registrar's office for inspection by shareholders up to the date of the AGM. The Scheme will provide a strong incentive to participating Executives in the Group and the subsidiaries which will also coincide with shareholders interests, in that they could benefit from an increase in the company's share price. We also believe that this Scheme will provide an additional tool to attract and retain Executives in an increasingly competitive market for well-qualified management. We therefore commend the Scheme to you and urge you to vote in favour of the Resolution to give the board the authority for its implementation. We believe the previous scheme which was introduced in 2001 but has now expired was a success. It is therefore the board's intention to introduce a new Staff Share Ownership Scheme in due course to be able to include the broad range of staff.

The Way Forward

Management has already started to operate the Group structure and the scale and size of the EGL Group offers good opportunities to minimise costs through shared services. In addition, taking a Group view will, over time, certainly improve the management of liquidity and investments. Mr Emmanuel Idun joined us last year as Group Finance Director and is already making a very helpful contribution in this function.

As demonstrated in ELAC and ETL, we believe building strategic alliances contributes to strong operating subsidiaries. We propose to build on this approach when the opportunities present themselves.

I am sure that all shareholders will join me to congratulate Mr. G. B. Otoo, our CEO, on the successful launch of EGL and wish our management and staff every success as the Enterprise Group enters this new frontier.

Thank you.

Trevor Trefgarne

Trevor G. Trefgarne
Chairman

BOARD OF DIRECTORS

Trevor Trefgarne
Chairman

Trevor Trefgarne is a graduate of the Cranfield School of Management. He was until recently the Chairman of the Boards of Garro Securities Limited and Recovery Trust PLC in the United Kingdom and was a non-executive Director on the Boards of Gartmore High Income Trust PLC and Global Yatirim Holding A.S.

Mr. Trefgarne is a non-executive Director of Franklin Templeton Investment Funds SICAV. He joined the company's board in 2008. Mr. Trefgarne is British.

George Otoo
Chief Executive Officer

George Otoo was appointed the Chief Executive Officer of Enterprise Group Limited in 2008. Mr. Otoo holds an MBA in Insurance Management and is a Chartered Insurer of many years experience. He is an Executive Council Member of the Governing Council of the West African Insurance Institute (WAII) of the West African Insurance Companies Association (WAICA). He is a Director of Databank EPACK Investment Fund Limited and Mainstream Reinsurance Company Limited. Mr. Otoo joined Enterprise Insurance Company Limited in 1981, and was Managing Director of EIC from 1999 to 2010. He is Ghanaian.

Ken Ofori-Atta

Ken Ofori-Atta is Co-founder and the Executive Chairman of Databank Financial Services Limited (Ghana). He has over 25 years of experience in investment banking having worked at Morgan Stanley and Salomon Brothers in New York in their Corporate Finance and Merger & Acquisitions Groups, prior to founding Databank in 1990. He is Chairman of Ventures & Acquisitions Limited, Enterprise Life Assurance Company, Trust Bank Limited of The Gambia, The International Bank of Liberia and the Databank Epack Investment Fund.

Mr. Ofori-Atta went to Achimota School, has a BA in Economics from Columbia University in New York and an MBA from the Yale School of Management in the U.S. He was recently honoured with the JOHN JAY award for distinguished professional achievement by Columbia University. He joined the EGL Board in 2010. He is Ghanaian.

Martin Eson-Benjamin

Martin Eson-Benjamin is the CEO of the Millennium Development Authority of Ghana (MiDA), the accountable entity for Ghana's Millennium Challenge Account Programme. Martin worked with Kumasi Brewery Ltd, a subsidiary of UAC Ghana Limited from 1972-1981 and moved to Unilever Ghana Limited from 1982 to 1995, and rose to the position of Marketing Director. He rejoined Ghana Breweries Limited, a subsidiary of Heineken International in 1995, for a total of 9 years, rising to the position of Managing Director and Chairman of the Board of Directors. Mr. Eson-Benjamin has also served on the Boards of various organizations. Board appointments include; Chairman of the Multimedia Broadcasting Company Ltd, Chairman of Ghana Agro Foods Company (GAFCO), and as Director of CFAO, the Kama Group of Companies and the Ningo Salt Company Ltd. He was awarded the National Order of the Volta in 2008.
Mr. Eson-Benjamin joined the EGL Board in 2010. He is Ghanaian.

Keli Gadzekpo

Keli Gadzekpo is Co-founder and Executive Vice-Chairman of Databank Financial Services and has over 15 years experience in investment banking. Since co-founding Databank, he has contributed to the development of the capital market and the Stock Exchange in Ghana through his oversight of Databank Brokerage Limited. Mr. Gadzekpo is the Chairman of the Board of Enterprise Insurance Company Limited. He is Chairman of the Databank Foundation and also a Director of Ventures & Acquisitions Limited, Databank Epack Investment Fund and the North Ridge School. Mr. Gadzekpo went to Achimota School; he holds a BSc in Accounting from the Brigham Young University and is a CPA from the USA. He is also a Mason Fellow of the John F. Kennedy School of Government, Harvard University where he earned a Masters degree in Public Administration. He joined the EGL Board in 2010. He is Ghanaian.

H. E. Mrs. Margaret Clarke-Kwesie

H. E. Mrs. Margaret Clarke-Kwesie is Ghana's Ambassador to the Republic of South Korea. She is a former Member of Parliament for Ga South, a former Deputy Minister of Health and Education and also Minister of State at the Office of the President. Prior to her entry into politics, Mrs. Clarke-Kwesie was a Principal Economic Planning Officer at the Ministry of Finance & Economic Planning. She has also served on the boards of the Oil Research Institute, the Scientific Instrumentation Centre of CSIR and the GIHOC Cannery of Nsawam.
H. E. Mrs. Clarke-Kwesie joined the EGL Board in 2010. She is Ghanaian.

Emmanuel Idun

Emmanuel Idun, Executive Director Finance, joined the Enterprise Group in November 2010, from Expresso Telecom, where he was Chief Commercial Officer between 2007 and 2010. Prior to joining Expresso, he had a 27 year international career in Finance; IT and Logistics with Unilever, holding senior management positions in the United Kingdom, 1996-1999; Democratic Republic of Congo, 1990 - 1992; Nigeria, 1992; and in Ghana as Finance Director, between 1999 and 2007. Mr Idun has previously held executive board positions with Unilever Ghana Ltd; Benso Oil Palm Plantations Ltd; Twifo Oil Palm Plantations Ltd, and non executive positions with Enterprise Life Assurance Company Ltd; Empretec Foundation; and the Ghana Stock Exchange. He is a Chartered Accountant, a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Accountants, Ghana. He is Ghanaian.

CHIEF EXECUTIVE OFFICER'S REVIEW

George Otoo,
Chief Executive Officer, Enterprise Group Limited

Summary

2010 was an important year in the history of your business. We obtained your approval for our long term vision to transform the Group, and took our first step by listing Enterprise Group Limited on the Ghana Stock Exchange. We continued to deliver strong premium growth, while improving on profitability and cash flows.

The Insurance Industry

The industry continued to show positive growth in premium income above inflation in 2010, however life assurance continues to grow at a faster rate than non-life, as has been the case in the last 5 years.

Competition intensified in both life and non-life, and we expect this to drive innovation and efficiency through the industry. Regrettably, negative practices, such as under pricing persist. The National Insurance Commission, the industry regulators, continued to take steps to instil discipline in the industry.

New product offerings were largely in the life sector as life companies continued to remodel products to cater for funeral, credit and educational and other life time needs of the insuring public.

Ghana's emergence as an oil producing country created an opportunity, but also posed a challenge to the non-life industry in terms of its capacity to underwrite oil and gas business. In response, the industry came together to form an Oil and Gas Pool to increase their collective capacity in this capital-intensive industry.

The National Insurance Commission also issued directives to both life and non-life companies to increase their minimum stated capital to the equivalent of US$5 million by the close of December 2012.

In collaboration with the industry, the National Insurance Commission issued new premium credit guidelines to minimise the unbridled granting of credit to policyholders.
This practice of issuing policies on credit has resulted in huge premium debtors on the books of non-life companies, thus threatening the financial stability of the industry.

The success of these guidelines will largely depend on the commitment of insurers to recognise the harm they are doing to their balance sheets through loss of investment income from uncollected premiums.

Business Review

The principal activities of the Group for 2010 were life and non-life insurance.

Gross Premium went up 37.3% from GH¢49.7 million to GH¢68.3 million while Net Premium Earned, posted a much higher growth of 57.8%, rising from GH¢34.8 million to GH¢54.9 million, driven by lower levels of reinsurance and unearned premiums. Much of this growth came from the life business which continues to achieve impressive higher-than -market growth rate. We expect this to continue due to the current low market penetration levels, and the increasing size of the middle class and expected prosperity in the medium term.

On the life side, individual life operations dominated the business (97.0%) with group life operations taking up the remaining 3.0%. The lead product in the life portfolio continued to be the Funeral Finance Plan which contributed 50.0% to new business premium.

On non-life, Motor insurance contributed the highest to premium income (42.5%) while Marine contributed the least (3.5%). However, the Motor account deteriorated further in 2010 resulting in a loss of GH¢2.7 million due to a combination of high frequency of claims, downward pressure on premiums and a relatively high default rate in premium payment.

Net Claims Incurred went up by 28.6% to GH¢14.3 million while Operating Expenses showed a significant increase of 45.5% over the previous year's figure to GH¢17.9 million. This was the result of an aggressive branch expansion programme and a significant "one off" provision of GH¢ 1.1 million approved by the Board to cover bad and doubtful debts in order to clean the balance sheet of any non-performing asset.

Transfer to Life Fund went up by 155.0% from GH¢6.8million to GH¢17.4 million. This significant increase, based on actuarial valuation, was the result of the more than expected increase in the sale of savings-based products vis-à-vis risk-based products which necessitated higher provisions to be made to cover future liabilities. Underwriting loss was therefore GH¢4.6 million versus GH¢1.6 million in 2009.

Financial Review

Investment income increased from GH¢5.6 million to GH¢7.7 million, even though interest rates on fixed deposits went down compared to prior year. As a result of favourable price movements on the Ghana Stock Exchange, the value of our listed equities showed a strong recovery from a loss of GH¢2.1 million in 2009 to a gain of GH¢5.8 million in 2010.

Group Operating Profit went up significantly by 358.0% from GH¢1.9 million to GH¢8.7 million. Other Income, which largely represents exchange gain, went down from GH¢1.9 million in 2009 to GH¢0.22 million in 2010 owing to the relative stability of the Ghanaian Cedi. Unrealised Capital appreciation from Investment Properties, however, increased by 152.0% as a result of the appreciation in the values of real estate properties.

Against prior year, profit before tax posted a strong growth of 131.0% from GH¢4.2 million to GH¢9.7 million which was a reflection of the very good results from our life business. Profit after Tax and before Non-controlling Interest moved up to GH¢8.4 million from GH¢3.7 million.

Total Assets grew significantly from GH¢73.9 million in 2009 to GH¢114.8 million in 2010 while Shareholders Funds went up from GH¢34.1 million to GH¢56.9 million.

Cash generation in the Group, particularly in the life business, remained strong, thus increasing cash and cash equivalents held in the Group to GH¢54.9 million.

Corporate Social Responsibility

The Group continued its support to our communities mainly in the areas of health and education. We were a major sponsor of the 10th World Hearts Day Celebration held in Accra. We supported the Ghana Heart Foundation, Ghana National Trust Fund, Ghana Medical School and the Kwame Nkrumah University of Science and Technology Actuarial Students Association. We also renovated parts of the Urology Department of Korle-Bu Teaching Hospital and gave donations to the SOS Villages in Asiakwa, Kumasi and Tamale.

Looking Forward

We intend to grow our revenues further through diversification and geographic expansion. Business remodelling of the non-life business; operational efficiencies through the use of technology, and resource sharing across the Group will enhance profitability. Our Pensions and Real Estate subsidiaries will be operational this year as we seek more profitable ventures to improve shareholder value. We are also actively examining business opportunities in West Africa.

We Thank You

Late last year, we sought your approval to re-structure the business, in order to create the right platform for building a strong, viable and diversified business group.

You gave us your overwhelming approval, and in the medium to long term we will strive to transform the Enterprise Group into a dominant player in the financial services industry in the nation in order to deliver even better returns for shareholders. We very much appreciate your continued support and we give you our commitment to create a strong and profitable financial services company.

To our clients and intermediaries, we say thank you for your trust in us. We will upholdthat trust by offering you the security we promise.

Let me also use this opportunity to thank the Board of Directors and the Staff of the Group for your commitment that enabled us to deliver the results we achieved last year. May God continue to bless our efforts in the coming years.

George Otoo
Chief Executive Officer.

EXECUTIVE COMMITTEE

George Otoo
Group Chief Executive Officer

Emmanuel Idun
Group Executive Director, Finance

Kwame Ofori
Executive Director, EIC

C. C. Bruce Jnr.
Executive Director, ELAC

MANAGEMENT

George Otoo
Group Chief Executive Officer

Emmanuel Idun
Executive Director, Finance

Abena Bonsu (Ms.)
Company Secretary

Araba Asumanu (Mrs)
Corporate Audit & Assurance

The dawn of a new era as George Otoo, takes charge of the Enterprise Group.

Kwame Ofori, symbolically takes over as the Head of the subsidiary EIC.

LISTING OF ENTERPRISE GROUP LIMITED

George Otoo, shares a thought with Yoofi Grant of Databank.

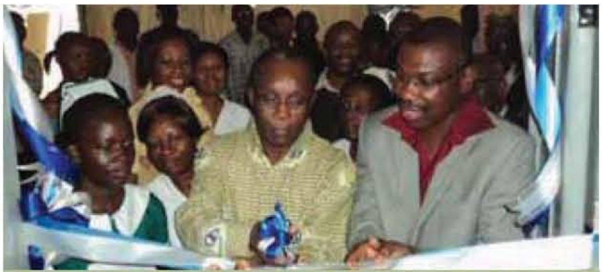
Directors of ELAC, EIC and EGL look on in anticipation of the listing of EGL.

The EGL share price is displayed for trading to begin.

A round of applause for EGL, as it is formally listed on the GSE.

Members of the EIC management team.

CORPORATE CITIZENSHIP
The difference we make.



Executive Director, EIC handing over renovated washrooms of Urology Department to CEO Korle-Bu Teaching Hospital.

Management of EIC making a donation to Princess Marie Louis Children's Hospital.

Mr. George Otoo and Nii Adotey Obuor handing over the renovated Children's Ward. (Korle -Bu Teaching Hospital)

Mr. George Otoo, MD EGL, making a donation to Sekondi School for the Deaf.

Executive Director, EIC handing over the renovated dining hall of Akropong School for the blind.

Executives of ELAC making a donation to the Ghana Heart Foundation.

Executive Director, EIC serves and interacts with blind students at Akropong School for the Blind.

REPORT OF THE DIRECTORS TO THE MEMBERS OF ENTERPRISE GROUP LIMITED

The directors submit their report together with the audited financial statements for the year ended 31 December 2010, which discloses the state of affairs of the group.

1. Statement of Directors' Responsibilities

The directors are responsible for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and its subsidiaries and of the comprehensive income and cash flows for that period.

In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS). The directors are responsible for ensuring that the company and its subsidiaries keep proper accounting records that disclose with reasonable accuracy at any time, the financial position of the company and its subsidiaries.

The directors are also responsible for safeguarding the assets of the company and its subsidiaries and taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. Principal Activities

The principal activities of the company and the subsidiaries are:

i. to undertake the business of insurance and assurance and other business and agencies incidental thereto;

ii. to undertake the business of Investment, Real Estate Development and Management Consultancy.

Changes in the company's Activities

Enterprise Group Limited (EGL) was incorporated under the Companies Code, 1963 (Act 179) on the 24th November, 2008. The promoters set it up to be the holding company to Enterprise Insurance Company (EIC) and its subsidiaries (Enterprise Life Assurance Company (ELAC) and Consortium House Limited (CHL)).
There were no activities up to 2009.

In 2010, there was a reorganisation of the operations of the EIC group. Under the reorganisation, EIC transferred its shares in ELAC to EGL. Shareholdings in EIC were exchanged for new shares in EGL. EIC was then delisted from the Ghana Stock Exchange and EGL simultaneously listed.

3. Results and Dividend

The directors in submitting to the shareholders the consolidated financial statements of the group for the year ended 31 December 2010 report as follows:

		GH¢'000
Profit for the year ended 31 December before taxation and minority interest		9,686
from which is deducted:		
taxation of	(1,333)	
minority interest of	(4,699)	
		(6,032)
giving a profit for the year after taxation of		3,654
to which is added to balance on retained earnings account brought forward of	4,794	
less transfer to Contingency Reserves of	(845)	
Less transfer to Stated Capital	(827)	
		3,122
giving a total of		6,776
a dividend of GH¢ 0.004 per share (2009: GH¢0.045 per share) amounting to	(525)	
		(525)
Leaving a balance of		6,251

REPORT OF THE DIRECTORS TO THE MEMBERS OF ENTERPRISE GROUP LIMITED *(cont'd)*

4. Directors

The directors who held office to the date of this report were:

- Trevor Trefgarne (Chairman)
- George Otoo (Chief Executive Officer)
- Ken Ofori-Atta
- Keli Gadzekpo
- H. E. (Mrs.) Margaret Clarke-Kwesie
- Martin Eson-Benjamin
- Emmanuel Idun

The directors have made assessment of the group's ability to continue as a going concern and have no reason to believe that the group will not be a going concern in the year ahead.

AUDITORS

The company's auditors, Messrs KPMG will continue in office in accordance with Section 134(5) of the Ghana Companies Code, 1963, (Act 179).

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 31st March, 2011 and signed on their behalf by:

....
CHIEF EXECUTIVE OFFICER

....
DIRECTOR

CORPORATE GOVERNANCE STATEMENT

Introduction

Enterprise Group Limited is committed to the principles and implementation of good corporate governance. The company recognizes the valuable contribution that good corporate governance makes to long term business prosperity and ensures accountability to its stakeholders. The company is managed in a way that maximizes long-term shareholder value and takes into account the interests of all its stakeholders.

Enterprise Group Limited believes that full disclosure and transparency in its operations are in the interests of good governance. As indicated in the statement of responsibilities of Directors and notes to the accounts, the business adopts standard internationally recognised accounting practices and ensures sound internal control to facilitate the reliability of the financial statements.

The Board of Directors

The responsibility for good corporate governance is the responsibility of the Board of Directors and the Management Team. The Members of the Board are highly qualified and experienced in their fields of specialisation. The Board of Directors currently comprises five non-executive directors, the Chief Executive Officer and an Executive Director of Finance.

The Board of Directors formally meets four times a year. They monitor management ensuring that material matters are subject to Board approval. Senior management attends meetings of the Board of Directors by Invitation.

The roles of the Chairman and the Chief Executive Officer are separate and do not vest in the same person, with the Chairman being a non-executive Director. The Chairman provides leadership and guidance to the Board of Directors and encourages proper deliberation of all matters requiring the Board's attention.

To ensure effective control and monitoring of the company's business, the Board has three main committees, an Audit Committee, a Human Resource Committee, and an Investment and Strategy Committee.

Audit Committee

The Audit Committee reviews and reports to the Board of Directors on the compliance, integrity and major judgmental aspects of the company's published financial statements, the scope and quality of the external audit and the adequacy of the company's internal controls, including the management of risk.

Human Resource Committee

The Human Resource Committee determines the level and structure of Executive remuneration and reviews their performance and service agreements annually. It is also responsible for reviewing the Human Resource Policy for the company and the recruitment of officers from the General Manager level and above.

Investment and Strategy Committee

The Investment and Strategy Committee reviews, discusses and recommends investment opportunities to the Board. The Committee monitors the progress of the Company's investment programmes and approves financial transactions within its authority as delegated by the Board. This Committee also provides strategic direction for the attainment of EGL's corporate vision and objectives aimed at maximizing shareholder value through growth and development through its subsidiaries.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE GROUP LIMITED

We have audited the financial statements of Enterprise Group Limited and its subsidiaries, which comprise the consolidated statement of financial position at 31 December 2010, the consolidated statements of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 20 to 60.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, Companies Code, 1963 (Act 179), and the Insurance Act, 2006 Act 724 and in the manner required by the Companies Code, 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgment, 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 the directors, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Enterprise Group Limited and its subsidiaries at 31 December 2010, and of their consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana and the Insurance Act 2006 (Act 724) of Ghana.

Other Matter

We have obtained all the information and explanations required which, to the best of our knowledge and belief, were necessary for the purpose of our audit

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179) and the Insurance Act, 2006 Act 724.

In our opinion, proper books of account have been kept and the statement of financial position, statement of comprehensive income, statement of changes in equity are in agreement with the books of account.

KPMG

....

CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA

31 March, 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31DECEMBER 2010

		THE COMPANY		THE GROUP	
	Note	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Revenue Account:					
Gross Premiums		-	-	68,268	49,714
Less: Reinsurance		-	-	(12,489)	(12,466)
Net Premium Written		-	-	55,779	37,248
Unearned Premiums	19	-	-	(888)	(2,477)
Net Premiums Earned		-	-	54,891	34,771
Claims Incurred		-	-	(14,333)	(11,143)
Commission		-	-	(9,769)	(6,119)
Operating Expenses	6	-	-	(17,984)	(12,277)
Transfer to Life Fund		-	-	(17,356)	(6,805)
Underwriting (Loss)/Profit		-	-	(4,551)	(1,573)
Statement of Comprehensive Income					
Management expenses		(217)	-	(217)	-
Investment Income	7	1,020	-	7,704	5,658
Financial assets at fair value through profit and loss	8	-	-	5,770	(2,163)
Operating Profit		803	-	8,706	1,922
Other Income	9	-	-	215	1,972
Fair value gain on Investment Property	12	-	-	765	303
Profit before Taxation		803	-	9,686	4,197
Taxation	17(ii)	(201)	-	(1,333)	(522)
Profit after Taxation and before Non-controlling Interest		602	-	8,353	3,675
Non-controlling Interest		-	-	(4,699)	(1,439)
Profit attributable to controlling interest		602	-	3,654	2,236
Other Comprehensive Income					
Net change in fair value of Available-for-sale financial assets		-	-	16,260	1,241
Deferred tax on other comprehensive income		-	-	624	(345)
Other comprehensive income net of tax		-	-	16,884	896
Total comprehensive income for the year		602	-	20,538	3,132
Basic and diluted earnings per share (Ghana cedi per share)		GH¢0.005	-	GH¢0.03	GH¢0.017

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010

THE COMPANY	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
Balance at I January 2010	**0.5**	**-**	**0.5**
Total comprehensive Income for the year			
Profit and Loss	**-**	**602**	**602**
Other comprehensive income			
Changes in available-for-sale			
Financial assets	-	-	-
Changes in revaluation reserve	-	-	-
Transfer to Contingency Reserve	-	-	-
Dividends declared on ordinary shares	-	(525)	(525)
Share Consideration Other than cash	31,599	-	31,599
Balance at 31 December 2010	**31,599**	**77**	**31,676**
Balance at I January 2009	**-**	**-**	**-**
Total comprehensive Income for the year			
Profit and loss	-	-	-
Other comprehensive income			
Changes in available-for-sale			
Financial assets	-	-	-
Changes in revaluation reserve	-	-	-
Transactions with owners, recorded directly in equity			
Transfer to Contingency Reserve	-	-	-
Dividends declared on ordinary shares	-	-	-
Share Consideration	0.5	-	0.5
Balance at 31 December 2009	**0.5**	**-**	**0.5**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010 *(cont'd)*

THE GROUP	Stated Capital GH¢'000	Contingency Reserve GH¢'000	Retained Earnings GH¢'000	Revaluation Reserve GH¢'000	Fair Value Reserve GH¢'000	Share Reserve GH¢'000	Non Controlling Interest GH¢'000	Total GH¢'000
Balance at 1 January 2010	1,864	3,808	4,794	6,803	10,263	809	5,779	34,120
Total Comprehensive Income for the year								
Profit and Loss for the year	-	-	3,654	-	-	-	4,699	8,353
Other comprehensive income								
Changes in available-for-sale								
Financial assets	-	-	-	-	16,260	-	-	16,260
Changes in revaluation reserve	-	-	-	624	-	-	-	624
Transactions with owners, recorded directly in equity								
Transfer to Contingency Reserve	-	845	(845)	-	-	-	-	-
Dividends declared on Shares	-	-	(525)	-	-	-	(1,225)	(1,750)
Cash Consideration	0.5	-	-	-	-	-	-	0.5
Consideration other than cash (transfer To stated capital)	29,710	(4,575)	(827)	(4,980)	(18,969)	(359)	-	-
Share Option	25	-	-	-	-	-	-	25
Acquisition Reserve	-	-	-	-	-	-	(734)	(734)
Balance at 31 December 2010	31,599	78	6,251	2,447	7,554	450	8,519	56,898
Balance at 1 January 2009	1,864	3,016	5,020	6,235	9,935	809	4,340	31,219
Total Comprehensive Income for the year								
Profit and Loss for the year	-	-	2,236	-	-	-	1,439	3,675
Other comprehensive income								
Changes in available-for-sale								
Financial assets	-	-	-	-	328	-	-	328
Changes in revaluation reserve	-	-	-	568	-	-	-	568
Transactions with owners, recorded directly in equity								
Transfer to Contingency Reserve	-	792	(792)	-	-	-	-	-
Dividends declared on Shares	-	-	(1,670)	-	-	-	-	(1,670)
Balance at 31 December 2010	1,864	3,808	4,794	6,803	10,263	809	5,779	34,120

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2010

		THE COMPANY		THE GROUP	
	Note	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
ASSETS					
Property, Equipment and Fittings	10(i)-(iii)	-	-	11,159	11,042
Intangible Assets	11	-	-	36	42
Investment Properties	12	-	-	3,758	2,993
Investments in Subsidiary	13	31,981	-	-	-
Other Investments	14	-	-	87,415	46,845
Loans and Receivables	15	171	-	2,857	5,365
Due from Re-insurers	16(i)	-	-	2,195	2,109
Taxation	17(i)	-	-	-	385
Cash and Bank Balances	18	341	-	7,408	5,103
Total Assets		**32,493**	**-**	**114,828**	**73,884**
Stated Capital	24	31,599	-	31,599	1,864
Contingency Reserve	25	-	-	78	3,808
Reserves		-	-	10,451	17,875
Retained Earnings		77	-	6,251	4,794
Non-Controlling Interest		-	-	8,519	5,779
Total Equity and Surplus		**31,676**	**-**	**56,898**	**34,120**
Technical Provisions					
Life Insurance Fund	26	-	-	36,869	19,512
Unearned Premiums	19	-	-	7,152	6,264
Outstanding Claims	20	-	-	1,452	2,081
		-	-	45,473	27,857
Deferred Tax Liability	21	-	-	2,041	2,485
Total Non-Current Liabilities		**-**	**-**	**47,514**	**30,342**
Trade and other Payables	22	616	-	7,812	3,683
Due to Re-insurers	16(ii)	-	-	2,509	4,593
Dividend Payable	23	-	-	-	1,146
Tax Liability	17(i)	201	-	95	-
Total Current Liabilities		817	-	10,416	9,422
Total Liabilities		**817**	**-**	**57,930**	**39,764**
Total Equity, Surplus and Liabilities		**32,493**	**-**	**114,828**	**73,884**

....
CHIEF EXECUTIVE OFFICER

....
DIRECTOR

STATEMENT OF CASH FLOW AT 31 DECEMBER 2010

	Note		2010 GH¢'000		2009 GH¢'000
Net Cash generated from operations	5	18,669		10,152	
Income tax paid		(673)		(718)	
Net cash from operating activities			17,996		9,434
Cash flow from investing activities					
Purchase of Property, Plant and Equipment		(1,284)		(1,041)	
Purchase of Intangibles assets		-		(8)	
Purchase of Listed Investment		(1,699)		(625)	
Proceeds from Sale of Property, Plant and Equipment		33		30	
Investment Income received		7,704		5,822	
Net cash from/(used) in Investing Activities			4,754		4,178
Cash flow from financing Activities					
Dividends paid		(2,896)		(1,048)	
Increase in Stated Capital		25		-	
Net cash used in Financing Activities			(2,871)		(1,048)
Net Increase in Cash and Cash Equivalents			19,879		12,564
Cash and Cash Equivalents at 1 January			35,034		22,470
Cash and Cash Equivalents at 31 December			54,913		35,034
Movement in Cash and Cash Equivalent					
At start of the year			7,408		5,103
Increase in cash and cash equivalents			47,505		29,931
			54,913		35,034

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Reporting Entity

Enterprise Group Limited (EGL) is a public company limited by shares under the provisions of the Companies Code of Ghana 1963, (Act 179). The company was incorporated and domiciled in Ghana with registered office address of No.11 High Street, Enterprise House, P. O. Box GP50, Accra. The company has three subsidiaries, namely Enterprise Insurance Company (EIC), Enterprise Life Assurance (ELAC) and Consortium House Ltd(CHL).

2. Basis of Preparation

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and it complies with the Insurance Act 2006, (Act 724), and the Companies Code, 1963 (Act 179) of Ghana.

b. Functional and Presentation Currency

The financial statements are presented in Ghana Cedi, which is the group's functional currency. Except as indicated, financial information presented in Ghana Cedi has been rounded to the nearest thousand Ghana Cedi.

c. Basis of Measurement

The financial statements are prepared on the historical cost basis except for the following:

- Financial assets held at fair value through profit or loss
- Financial assets and liabilities initially are recognised at fair value.
- Investment property is measured at fair value

d. Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.
In particular, information about significant areas of estimating uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note (4). Judgement made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustments are discussed in note (4).

(e) Determination and presentation of operating segments

As of 1 January 2009 the group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer (CEO), who is the group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows:

Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets, liabilities and depreciation.

(ii) Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the group presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities, except as explained in note 2(e), which addresses changes in accounting policies

Certain comparative amounts have been reclassified to conform with the current year's presentation.

3.1 Basis for Consolidation

The consolidated financial statements incorporate the financial statements of the company, and its subsidiaries

(i) Subsidiaries

Subsidiaries are entities controlled by the group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. At each balance sheet date, assets and liabilities denominated in currencies different to the functional currency are translated into the functional currency at the rate at that date. Foreign exchange gains and losses are recognised in the income statement.

3.3 Financial instruments

(i) Non-derivative financial assets

The group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.
Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The group has the following non-derivative financial assets:

a. Financial assets at fair value through profit or loss;

b. Held-to-maturity;

c. Loans and receivables; and

d. Available-for-sale.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy.

Upon initial recognition, attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Held-to-maturity financial assets

If the group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the group from classifying investment securities as held-to-maturity for the current and the following financial years.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables and due from reinsurers.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein i.e. gains and impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve.

When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

(ii) Non-derivative financial liabilities

The group initially recognises liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument. The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The group has the following non-derivative financial liabilities: due to reinsurers and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.4 Property and equipment

Property and equipment is initially recorded at cost. Cost prices include costs directly attributable to the acquisition of property and equipment as well as any subsequent expenditure when it is probable that future economic benefits associated with the item will flow to the company and the expenditure can be measured reliably. All other expenditure is recognised in the income statement when incurred.

(i) Property

Properties are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. The fair value is determined every three (3) years by external, independent, professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation increase arising on the revaluation of properties is credited to the revaluation surplus in shareholders' equity.

Decreases that offset previous increases of the same asset are charged against the revaluation reserve. All other decreases are charged to the income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost, net of any related deferred tax, is transferred from the revaluation surplus to retained earnings.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

(iii) Equipment

Equipment is reflected at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on the straight-line basis at rates considered appropriate to reduce the cost to net realisable value over the estimated useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the asset's proceeds to its carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

(iv) Depreciation

Depreciation is recognised in the income statement on a straight-line basis, over the estimated useful lives of each part of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Leasehold Land & Building	-	Over Lease Period
Motor Vehicles	-	25%
Furniture	-	20%
Equipment	-	25%

Depreciation methods, useful lives and residual values are reassessed at the reporting date

3.5 Investment Property

Property held either to earn rental income or for capital appreciation, or for both, and which is not occupied by companies in the group is classified as investment property. Investment property is treated as a long-term investment and is measured initially at cost, including transaction costs. After initial recognition, investment property is measured at open-market fair value and is subject to a valuation by an external, independent professional valuer every year.

Gains or losses arising from changes in the fair value of investment property are credited or charged directly to the profit and loss. On disposal of investment property the difference between the net disposal proceeds and the carrying value is recognised in the profit and loss

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.6 Intangible Assets

Intangible assets comprise software development costs. Generally, costs associated with developing computer software programs are recognised as an expense as incurred.

However, costs that are clearly associated with an identifiable separable system, arising from contractual or other legal rights, are recognised as an intangible asset.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software products;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff costs of the software development team and an appropriate portion of relevant overhead costs. Computer software development costs recognised as intangible assets are amortised in the life assurance revenue account on the straight-line basis at rates appropriate to the expected useful lives of the intangible assets, not which does not exceed three years, and are carried in the balance sheet at cost less any accumulated amortisation and accumulated impairment losses.

3.7 Impairment of Assets

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the companies about the following events:

- Significant financial difficulty of the issuer or debtor.
- A breach of contract, such as default or delinquency in payments.
- Adverse changes in the payment status of issuers or debtors.
- Economic conditions that correlate with defaults on assets in the group.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. The group assesses at each balance sheet date whether there is objective evidence that an available-for-sale financial asset is impaired, including, in the case of equity investments, a significant or prolonged decline in the fair value of the security below its cost. If any such evidence exists, the cumulative loss, which is measured as the difference between the acquisition cost and the current fair value of the investment, is removed from equity and recognised in the income statement.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and recognised in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed and the decrease recognised in the income statement.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks with maturities less than three months. Cash and cash equivalent are carried at cost in the balance sheet.

3.9 Stated Capital and reserves

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(i) Share issue costs

Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

(ii) Earnings per share

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the year.

(iii) Dividend Distribution

Dividend distributions to the group's shareholders are recognised as a liability in the group's financial statements in the period in which the board of directors approves the dividend.

3.10 Insurance Contracts

(i) Classification of Insurance Contracts

The group issues contracts which transfer insurance risk or financial risk or, in some cases, both. Insurance contracts are those contracts under which the group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is risk other than financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided, in the case of a non-financial variable, that the variable is not specific to a party to the contract.

Investment contracts are those contracts which transfer financial risk with no significant insurance risk.

(ii) Recognition and Measurement of Insurance Contracts

(a) Premiums

Gross premiums comprise the premiums on contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period and are disclosed gross of commission to intermediaries and exclude value-added tax. Premiums written include adjustments to premiums written in prior periods.

Outward reinsurance premiums are recognized as an expense in accordance with the pattern of indemnity received.

Expenses and commissions are allocated to the relevant revenue accounts as incurred in the management of each class of business. Commission is shown net of commission received in respect of reinsurance business ceded.

(b) Unearned premium provision

Unearned premiums represent the proportion of the premiums written in periods up to the accounting date, which relate to the unexpired terms of policies in force at the balance sheet date, and are calculated at 45% of the premium written. No provision has been made for marine premiums due to the short-term nature of the class of business.

(c) Claims incurred

Claims incurred comprise claims paid during the year, changes in the provision for outstanding claims and incidental expenses incurred in settling claims. Claims paid represent all payments made during the year, whether arising from events during that or earlier years.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the balance sheet date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the year are closed, and include provisions for claims incurred by the balance sheet date but not reported until after that date in accordance with regulatory requirements.

(d) Contingency reserve

A reserve is held for the full amount of the contingency reserve as required by the regulatory authorities in Ghana. Transfers to and from this reserve are treated as appropriations of retained income.

(e) Reinsurance

The group cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential. Reinsurance arrangements do not relieve the group from its direct obligations to its policyholders. Premiums ceded and claims reimbursed are reflected in the income statements and balance sheets separately from the gross amounts.

Amounts recoverable under such contracts are recognised in the same year as the related claim. Amounts recoverable under reinsurance contracts are assessed for impairment at each balance sheet date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the group may not recover all amounts due and that there is a reliably measurable impact on the amounts that the group will receive from the reinsurer. Impairment losses are recognised in the profit and loss.

(f) Acquisition costs

Expenses for the acquisition of insurance contracts represent commission paid and are expensed as incurred in line with premium earned.

(g) Salvage and subrogation reimbursements

Some insurance contracts permit the group to sell property acquired in settling a claim. The group may also have the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of the liability for claims..

3.11 Revenue

The accounting policy in relation to revenue from insurance contracts is disclosed in note 2.11.

(i) Interest income

Interest income and expense for all interest-bearing financial instruments, including financial instruments measured at fair value through profit and loss, are recognised within investment income and finance costs in the income statement using the effective-interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

(ii) Dividend income

Dividend income for available-for-sale equities is recognised when the right to receive payment is established, which is the last day of registration in respect of its quoted shares and when declared in respect of unquoted shares.

(iii) Rental income

Rental income from investment properties is recognised in the income statement on a straight-line basis over the term of each lease.

3.12 Employee Benefits

(i) Defined benefit plans

Under the national pension scheme, the Group contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Defined Contributory plans

The group has a provident fund scheme for staff under which the company contributes 9% of staff basic salary. The group's obligations under the plan is limited to the relevant contributions and these are settled on due dates.

(iii) Bonus plans

The group operates bonus for the benefit of employees. A provision is recognised when the Group is contractually obliged to pay bonus to its employees or where a past practice has created a constructive obligation to do so.

(iv) Equity compensation plan

The group operates a share-option compensation plan for the benefit of its employees of the company. The fair value of options granted is measured at each balance sheet date and any change in the fair value of the liability is recognised in the income statement.

(v) Other post-employment obligations

The group has obligation for post-retirement medical benefits in respect of pensioners.

3.13 Taxation

Income taxation on the profit or loss for the period comprises current and deferred taxation. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case the related income tax is also recognised in other comprehensive income.

Income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(i) Current Taxation

Current taxation is the expected taxation payable using taxation rates enacted at balance sheet date, including any prior year adjustments.

(ii) Deferred taxation

Deferred taxation is provided at current tax rates, on the comprehensive basis, using the balance sheet liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary timing differences and deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

3.14 Provisions

Provisions are recognised when the group has a present legal or constructive obligation of uncertain timing or amount as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.15 Leases

Leases of property and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the leases at the lower of fair value of the leased property and the present value of the minimum lease payments. Property and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.
Leases where a significant portion of the risks and rewards are retained by the lessor are classified as operating leases.

3.16 Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet.

3.17 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 2(e) (i).

3.18 Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

4 Critical Accounting Estimates and Judgements

The group makes certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

(i) Claims incurred

The estimation of the ultimate liability arising from claims made under insurance contracts is the group's most critical accounting estimate.
These estimates rely on the assumption that past experience adjusted for the effect of current developments and likely trends is an appropriate basis for predicting future events.
The group's processes for determining significant reserving assumptions are outlined in note 20 and 21.

4.1 Valuation of unlisted investments

The group accounts for its unlisted investments at cost. It then assesses at each balance sheet date whether there is objective evidence that these investments are impaired. An investment is considered impaired if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the investment (a 'loss event') and that loss event has an impact on the investment. Objective evidence that an investment is impaired includes observable data that comes to the attention of the group about the following events:

- Significant financial/liquidity difficulty of the investee company.
- Continuous loss-making activities of the investee company.
- A negative networth of the investee company
- Other conditions that impact on the investee company's ability to operate

If there is objective evidence that an impairment loss has been incurred on investment in unlisted shares carried at cost, the carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

4.2. Management of Insurance and Financial Risk

4.2.1 Exposure to Insurance Risk

The group underwrites risks that natural persons, corporate or other entities wish to transfer to an insurer. Such risks may relate to property, accident, personal accident, motor, liability, marine, life and other perils which may arise from an insured event. As such the group is exposed to uncertainty surrounding the timing, frequency and severity of claims under insurance contracts. The principal risk is that the frequency and/or severity of claims are greater than expected.

Insurance events are by their nature random and the actual size and number of events in any one year may vary from those estimated and experienced in prior periods. The group underwrites short-term risks, that is, insurance under which claims are typically settled within one year of the occurrence of the events giving rise to the claims and long term risks which is associated with human life.

Consequently, whilst the group may experience variations in its claims patterns from one year to the next, the group's exposure at any time to insurance contracts issued more than one year before is limited. The product features of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts in the group are described below.

(i) Property
Provides indemnity for loss or damage to immovable and movable property caused by perils such as fire, lightning, explosion, weather, water, earthquake and malicious damage. These contracts may also include business interruption policies which insure the loss of profits incurred by a business as a result of loss or damage to the insured property by these perils.

(ii) Accident
Provides indemnity for loss of or damage to mainly movable property for losses caused by crime, certain accidental damage such as damage to goods in transit or accidental damage to glass. Included under the accident classes are legal liabilities an insured may incur as a result of accidental damage to third-party property or accidental death or injury to a third party caused by the insured.

(ii) Personal accident

Provides compensation arising out of the death, permanent or temporary total disability of the insured, the family of the insured or the employees of a business. This cover is restricted to certain accidents and does not provide the wider benefits available from the life assurance industry

(iii) Motor

Provides indemnity for loss of or damage to the insured motor vehicle. The cover is normally on an all-risks basis providing a wide scope of cover, however the insured may select restricted forms of cover such as fire and theft only. Legal liabilities arising out of the use or ownership of the motor vehicle following an accident for damage to third-party property or death or injury to a third party are also covered in this class.
Warranty and maintenance cover on insured vehicles are incorporated in this class of business.

(iv) Engineering

Provides indemnity for losses sustained through the use of machinery and equipment or the erection of buildings and structures. Risks covered by this type of contract include machinery breakdown, business interruption and loss or damage to plant and equipment.

(v) Marine

Provides indemnity for both cargo and hull classes of business. Cargo covers physical loss of or damage to cargo. Hull covers accidental loss or damage to commercial vessels.

(vi) Life Assurance

(a) Short-term insurance contracts

Short-duration life insurance contracts protect customers from the consequences of events (such as death) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder.

(b) Long-term insurance contracts with fixed and guaranteed terms

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission. Benefits are recorded as an expense when they are incurred.

4.3 Liability valuation basis and methodology

(i) Individual insurance contracts

Policy liabilities for insurance contracts have been determined using the Financial Soundness Valuation principles and are reflected in the balance sheet as: "Life Fund'.

Liabilities are valued as the present value of future cash flows discounted at the rate of return assumed on the assets backing the policyholder funds. Future cash flows are projected on a best estimate basis with an allowance for compulsory margins. Best estimate assumptions are required for future: investment returns; bonus rates; expenses; persistency; mortality and other factors that may impact on the financial position of the Company. In order to ensure appropriate recognition of profit over the life of a contract, no policy is permitted to have an overall negative liability

No allowance is made for the deferral of acquisition costs and these are expensed when incurred.

Demographic assumptions including mortality and persistency rates are derived directly from recent experience and are adjusted for anticipated future trends. Investigations are performed at least annually and the most recent were performed in December 2010.

Future expenses are projected on a per policy basis where the per-policy expense is derived from actual renewal expenses incurred during the last financial period. Renewal expenses are determined by removing acquisition costs and non-recurring expenses from the total expenses and adding an allowance for future one-off costs which is derived from an analysis of historical one-off patterns.

For individual policies where benefits are linked to the return on an underlying investment portfolio, the liabilities are taken as the market values of the underlying investments, built up from the investment allocations made from the premiums paid, adjusted to allow for the discounted present value of the difference between expected future expenses and expected future charges.

(ii) Group insurance contracts

Appropriate reserves for the unexpired risk portion and for claims incurred but not reported were held for group risk premium benefits.

(iii) Policy liabilities in respect of long-term insurance contracts and investment contracts

The actuarial value of the policy liabilities is determined using the Financial Soundness Valuation method. The method requires a number of assumptions as inputs into the valuation model.

The following process is followed to determine the valuation assumptions:

- Determine the best estimate for a particular assumption.
- Additional margins are then applied.

(iv) Decrements

Assumptions with regard to future mortality, and surrender and lapse rates are consistent with the experience for the three years up to 31 December 2010.

4.3.1 Limiting exposure to Insurance Risk

The group limits its exposure to insurance risk through setting clearly defined underwriting strategy and limits, application of appropriate risk assessment techniques, and centralized management of reinsurance.

The group's underwriting strategy ensures diversification of insurance risk in terms of type and amount of risk covered, geographical location and type of industry covered. The strategy also aims to develop a sufficiently large population of risks to reduce the variability of the expected outcome. The underwriting strategy is detailed in underwriting authorities which set the limits for underwriters in terms of line size, class of business, geographical location and industry to enforce appropriate risk selection within the portfolio.

The underwriting mandates are applicable to both internal and external underwriters and partners. Ongoing review and analysis of underwriting information enables the group to monitor its risks and take timely corrective action. The ability to adjust premiums allows the group to mitigate the risk of underwriting losses by addressing adverse loss ratios in terms of different classes of business and different portfolios or clients. The risk of fraudulent claims is reduced by internal controls embedded in claims-handling processes and specific techniques developed to proactively detect fraudulent claims.

(i) Underwriting and reinsurance operating procedures

The group has implemented an appropriate risk management framework to manage risk in accordance with the group's risk appetite. Group reinsurance is managed by the reinsurance and statistical department in respect of the holding company and the risk management unit of the subsidiary. The objectives and responsibilities of the department is set out and approved by the board of directors as outlined below.

The main objective of the risk management outfit is to provide a policy framework that ensures that risk assumption and risk retention practice is in line with prudent risk/reward parameters set by the group.

Specifically, the department determines the risk-retention policy of the company, and this leads to the type and level of reinsurance placed for the year. Statutory, facultative and treaty reinsurance are undertaken for the purposes of cost-efficiency, compliance with risk assumption criteria and security.

(ii) Reinsurance strategy

The group obtains reinsurance cover to reduce risks from single events or accumulation of risk which could have a significant impact on earnings for the current year or the company's capital. This cover is placed on the local and international reinsurance market.

The group's insurance risk and return position is tested against a wide range of reinsurance alternatives including viability of proportional and non-proportional alternatives.

(iii) Risk-retention parameters

The group is in the business of assuming that level of risk, which is deemed prudent in relation to the risk/reward and the group's absolute capacity in terms of shareholders' funds and reserves.

(iv) Statutory Reinsurance

The group is required by the old Insurance Law to cede 20% of its business to Ghana Reinsurance Company Limited. The new Insurance Act, 2006, Act 724 has however abolished the statutory cession with effect from January 2009.

(v) Treaty and Facultative Placing Process

Treaties are placed in accordance with the various agreement signed between the group and its major reinsurance companies participating in its treaty arrangements which is reviewed/renewed at the end of each year.

4.4 Financial Risk Management

The group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital.

(i) Credit risk

The group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the group is exposed to credit risk are:

- Re-insurers' share of insurance liabilities;
- amounts due from Re-insurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries; and
- financial assets and cash and cash equivalents.

The group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparties, as well as geographical and industry segments. Such risks are subject to ongoing review and monitoring by the investment committee.

A significant amount of the insurance business is written through intermediaries. These intermediaries are closely monitored. Credit risk in terms of direct insurance clients is mitigated by the fact that where premiums are not paid to the group, the group is not obliged to act in terms of the policy.

Reinsurance is used to manage insurance risk. This does not, however, discharge the group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the group remains liable for the payment to the policyholder. The group monitors the financial condition of Re-insurers on an ongoing basis and reviews its reinsurance arrangements periodically.

Financial assets, cash and cash equivalents are placed with reputable financial institutions. The group has policies which limit exposure to any one financial institution. The investment committee regularly reviews the group's investments and potential exposure.

(ii) Liquidity risk

The group is exposed to daily calls on its available cash resources from claims arising. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The investment committee sets limits on the minimum proportion of maturing funds to be available to meet such calls.
The group's liquidity and ability to meet such calls are monitored by the investment committee.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Interest rate risk

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate instruments. The group does not have any interest-bearing borrowings. Interest rate risk is therefore limited to the group's investments in floating rate deposits.

(b) Equity risk

Investments in marketable securities are reflected at fair value and are therefore susceptible to market fluctuations. Investment decisions are delegated by the board to the investment committee, which has ultimate responsibility for the investment portfolio's risk profile and related decisions.

c) Currency risk

The group has financial assets which are denominated in foreign currencies. These assets are exposed to currency translation risk, primarily the United States of America Dollar, the Euro and Great Britain Pound. These are material to the group and sensitivity analyses on these exposures are set out in note 35.

***(iv) Operational risk is the risk that there is a loss as a result of inadequate or failed processes, people or systems and external events. Operational risk includes*:**

- **Information and technology risk:** the risk of obsolescence of infrastructure, deficiency in integration, failures/inadequacies in systems/networks and the loss of accuracy, confidentiality, availability and integrity of data.
- **Going concern/business continuity risk:** the risk that inadequate processes, people, financial controls and resources exist to continue business in the foreseeable future.
- **Legal risk:** the risk that the group will be exposed to contractual obligations which have not been provided for.
- **Compliance risk:** the risk of not complying with laws and regulations, as well as investment management mandates.
- **Fraud risk:** the risk of financial crime and unlawful conduct occurring within the group

The group mitigates these risks through its culture and values, a comprehensive system of internal controls, internal audit, compliance functions and other measures such as back-up facilities, contingency planning and insurance. The initiation of transactions and their administration is conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

4.4.1 Long term insurance risk (Life Business)

Long-term insurance risks can be classified into the following categories:

(a) Operational risk;
(b) Lapse risk;
(c) Investment risk;
(d) Underwriting risk;
(e) Reputation risk; and
(f) Capital adequacy risk.

a. Operational risk

Operational risk is the risk of loss due to factors such as inadequate systems, management failure, inadequate internal controls, fraud or human error. The business mitigates these risks through its culture and values, internal controls, internal audit, forensic and compliance functions and other measures such as back-up facilities, contingency planning and insurance.

The initiation of transactions and their administration is conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

The asset manager's control over the company's assets is enhanced through the settlement of transactions through custodians. The custodians are also responsible for the safe custody of the entity's securities. To ensure validity, all transactions are confirmed with counterparties independently from the initial executors.

The different types of operational risk are discussed below:

i. Expense risk

Expense risk is the risk of loss in future periods due to actual expense experience being worse than assumed in the valuation of insurance contract liabilities.

Expense are monitored and managed through the company's budgeting process. Fixed costs are distributed over a variable number of contracts and so a decrease in business volumes may negatively influence the business. Fluctuations in variable acquisition costs are monitored to ensure consistency with new business volumes.

Unexpected once-off costs will reduce profit during the year. Experience has demonstrated that it is impossible to anticipate all expenses during the budget process. Therefore, negative impacts on future profit are prevented by making allowance for once-off costs in the projection of future expenses.

Staff bonus incentives are dependent on achieving profit targets and so this ensures that staff is aware of the need to manage expenses.

(ii) Legal risk

Legal risk is the risk that the company will be exposed to contractual obligations which have not been provided for. There is a risk that practices established in the past may be unacceptable in changing legislative environments.
Legal risk arises from the uncertainty of the enforceability, through legal or juridical processes, of the obligations of Enterprise Life's clients and counterparties including contractual provisions intended to reduce credit and product exposure by providing for the netting of mutual obligations. The risk is managed through clear contracting. The company monitors and influences events to the extent possible by participation in discussions with legislators, directly and through industry representative groups.

(iii) Tax risk

Changes in tax legislation may result in financial loss because the actual tax expense relating to policyholder assets and activities may be worse than that assumed in the determination of premium rates and guaranteed policy benefits. The risk is addressed through clear contracting to ensure that policy contracts entitle policyholders to after tax returns where applicable. The company monitors the impact of changes in tax legislation and participates in discussions with the tax legislator to influence changes in legislation.

(iv) Staff turnover and succession planning

The company has recently undertaken job evaluation to determine entry level requirement for proper placement and compensation. A detailed succession plan has been approved by the Board.

(b) Lapse risk

Lapse risk relates to the risk of financial loss due to negative lapse experience. The design of insurance products excludes material surrender value guarantees to limit financial loss at surrender. Lapse experience is monitored on monthly basis to ensure that negative experience is identified and corrective action taken as required.

Such corrective action includes inter alia:

- Identification and prevention of fraudulent new business;
- Intensify our relationship with the pay points and the banks;
- Follow ups with agents and brokers who are selling business with low persistency; and
- Performance management of staff who fail to apply controls at new business stage that are designed to filter out business with expected low persistency.

Enterprise Life aims to achieve higher persistency by offering policyholders relevant products at reasonable cost. Many lapses are prevented by obtaining details of the policyholder's net income at new business stage and thereby confirming the affordability of the premium to the policyholder.

Persistency may also be adversely affected by macro-economic conditions that affect the affordability of the premium (e.g. employment and income levels).

Competition may encourage policyholders to lapse policies and move their business to other insurance providers.

(c) Investment risk

Investment risk relates to the relative sensitivity of long-term policy liabilities and the supporting policyholder assets to interest rate, market, credit, liquidity, currency and derivative risks.

(d) Underwriting risk

Underwriting risk relates mainly to the possibility that the insured event will occur as well as the uncertainty of the resultant claim amount. The nature of an insurance contract is that this risk is random and therefore unpredictable. The principle of underwriting risk is the risk that the actual exposure to mortality and medical risks in respect of policyholder benefits will result in volatile profits from one year to the next. Such volatility may result from large concentrations of risk or from charging inadequate premiums relative to the severity or incidence of the risk accepted. Inadequate policy wording may fail to protect the insurer from claims that were not envisaged when the product was priced.

Insurance events are random and the actual number and amount of underwriting benefits will vary from the best estimates established from statistical techniques and taking cognisance of past experience. The company manages these risks through its underwriting strategy, reinsurance arrangements and claims handling. The use of reinsurance enables the Company to:

- Share the risk with another party;
- Manage concentration of risks (e.g. by limiting the exposure per individual);
- Obtain technical assistance and access to credible historical data;
- Price products adequately;
- Prevent anti-selection and ensure appropriate premium rates (loadings) for substandard risks; and
- Ensure that a proper reserving policy is applied.
- Claims management practices are designed to prevent anti-selection, fraud and excessive disability claims.

The following policies and practices are used by the company as part of its underwriting strategy to mitigate underwriting risk:

- All long-term insurance product additions and alterations, both within and outside of agreed business definitions, are required to pass through the approvals framework that forms part of the governance process. The statutory actuary approves the financial soundness of new and revised products.
- The company's underwriting strategy aims to ensure that the underwriting risks are well diversified in terms of type (medical, occupational, financial) and amount of risk covered.
- Whilst this is difficult to measure at underwriting stage, the success or failure of the strategy may be measured by the historical stability of profits emerging from the book of business.
- Product pricing and reserving policies also include specific allowance for the risk of HIV/Aids.
- The statutory actuary reports annually on the financial soundness of the premium rates in use and the profitability of the business taking into consideration the reasonable benefit expectation of policyholders. All new rate tables are approved and authorised by the statutory actuary prior to being issued.
- The experience of reinsurers is used for the rating of substandard risks.
- The right to re-rate premiums is retained as far as possible.
- Investigations into mortality experience are conducted yearly to ensure that corrective action is taken where necessary.

The company's core funeral product offering is characterised by low sums assured which negates the need for medical and non-medical underwriting at policy inception. The policy conditions enable the company to repudiate death claims arising from non-accidental causes during an initial waiting period after policy inception.

The company's reinsurance arrangements include a quota share and surplus treaty for individual and group Life businesses.

Claims risk is represented by the fact that the company may incur inordinate mortality losses on any group of policies. Client service staff is trained to identify and investigate fraudulent claims timeously. Other complexes fraudulent are referred to specialist investigators. The legitimacy of claims is verified by internal, financial and operating controls that are designed to contain and monitor claims risks.

Concentration of insurance risk

Long-term insurance risks do not vary significantly in relation to the location of the risk insured. The Company is not exposed to a concentration by amounts insured because its funeral product range has relatively low sums assured.

The company's group risk schemes do present a concentration risk. This is because employees working in close proximity to each other may be affected by the same claim event or risks specific to an industry. The company does not have one large risk scheme that accounts for more than 5% of the premium income on this line of business. This risk is mitigated through the use of reinsurance.

Distribution Risk

Business from our agency model accounts for about 70% of the individual life business.
Diversification drives are being embarked upon to ensure other distribution channels such as brokers, bancassurance are used to manage this risk.

(e) Reputation risk

Reputation risk is the risk that the company is prevented from applying mitigating risk management policies due to the potential reputation impact on the company. Actions with a potential reputation impact are escalated to the appropriate level of Senior Management.
The audit committee and board of directors are involved as required. Events with an industry-wide reputation impact are addressed through industry representative groups.

(f) Capital adequacy risk

Capital adequacy risk is the risk that there are insufficient reserves to provide for variations in actual future experience that is worse than what has been assumed in the financial soundness valuation. The Company must maintain a capital balance that will be at least sufficient to meet obligations in the event of substantial deviations from the main risk assumptions affecting the Company's business. As at 31 December, 2010, Enterprise Life Assurance solvency ratio was 141%.

4.5 New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these consolidated financial statements.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instrument*
This interpretation provides guidance on the accounting for debt for equity swaps.
This amendment is effective for the financial reporting period commencing on or after 1 July 2010

IAS 24 *Related Party Disclosures (revised 2009)*
The revised IAS 24 Related Party Disclosures amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

This standard is effective for financial reporting periods commencing on or after 1 January 2011

IFRS 9 *Financial Instruments*
Standard issued November 2009 (IFRS 9 (2009)

IFRS 9 (2009) is the first standard issued as part of a wider project to replace IAS 39.
IFRS 9 (2009) retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.
Prior periods need not be restated if an entity adopts the standard for financial reporting periods commencing before 1 January 2012. This standard is effective for financial reporting periods commencing on or after 1 January 2013

Standard issued October 2010 (IFRS 9 (2010)

IFRS 9 (2010) adds the requirements related to the classification and measurement of financial liabilities, and derecognition of financial assets and liabilities to the version issued in November 2009.
It also includes those paragraphs of IAS 39 dealing with how to measure fair value and accounting for derivatives embedded in a contract that contains a host that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

Below is a summary of amendments/improvements to standards and interpretations that are not yet effective

	Amendments/improvements	**Effective date**
IAS 32	IAS 32 Financial Instruments: Presentation: Classification of Rights Issues	1 February 2010
IFRS 1	IFRS 1 First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010.
IFRS 3	IFRS 3 Business Combinations	1 July 2010
IAS 27	IAS 27 Consolidated and Separate Financial Statements	1 July 2010.
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction	1 January 2011
IFRS 1	IFRS 1 First-time Adoption of IFRSs	1 January 2011
IFRS 7	IFRS 7 Financial Instruments: Disclosures	1 January 2011
IAS 1	IAS 1 Presentation of Financial Statements	1 January 2011
IAS 34	IAS 34 Interim Financial Reporting	1 January 2011
IFRIC 13	IFRIC 13 Customer Loyalty Programmes	1 January 2011
IFRS 7	IFRS 7 Disclosures – Transfers of Financial Assets	1 July 2011
IFRS 1	IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
IAS 12	IAS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012

5. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	GH¢'000 2010	GH¢'000 2009
Cash flow from operating activities		
Profit before taxation	9,686	4,197
Adjustments for:		
Depreciation	1,136	987
Fair value gain on Investment Property	(765)	(303)
Profit on sale of Property & Equipment	2	(30)
Impairment loss on financial assets	-	(21)
Impairment loss on Unquoted Investments	-	293
Investment Income	(7,704)	(5,822)
Fair value losses/gains on listed equity investments	(5,770)	2,163
	(3,415)	1,464
Transfer to Life Fund	17,357	6,805
Technical provisions	259	2,653
Amount due to Re-insurers	(2,084)	(634)
Loans and receivables	2,508	8
Trade and other payables	4,130	1,614
Amounts due from Re-insurers	(86)	(1,758)
Net Cash generated from operations	**18,669**	**10,152**

6. OPERATIONAL EXPENSES

The following items have been charged in arriving at operating profit.

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Directors' Emoluments				
Executive Directors				
- Salary	78	-	536	318
- Bonus and Performance Payments	-	-	188	117
- Provident Fund Contributions	13	-	77	34
Non-Executives				
- Directors Fees	-	-	61	152
	91	-	862	621
Auditor's Remuneration				
Audit Fees	20	-	125	98
Depreciation				
- Leasehold Land and Building	-	-	453	411
- Motor Vehicles	-	-	277	256
- Fittings and Equipment	-	-	401	315
Depreciation	-	-	1,131	982
Other Expenditure				
Impairment of Unquoted Investment	-	-	-	293
Staff Cost	112	-	11,547	8,238
Donations to Charitable and other funds	-	-	60	32

7. INVESTMENT INCOME.

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
i) Interest				
Interest on call and term deposits	-	-	7,074	5,371
Bank Interest Income	-	-	49	106
	-	-	7,123	5,477
(ii) Investment Income from Available-for-sale/Fair value investments				
Ordinary Shares – dividend received	-	-	577	390
(iii) Investment Income from Subsidiaries				
Dividends from subsidiaries	1,020	-	-	-
Operating Income from non-core subsidiary	-	-	4	84
	1,020	-	7,704	5,951
(iv) Write-off of Investment in Phyto-Riker	-	-	-	(293)
	1,020	-	7,704	5,658

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Listed Investments	-	-	5,770	(2,163)

9. OTHER INCOME

Exchange (Loss)/Gains	-	-	(90)	1,784
Profit (Loss) on Disposal of Property & Equipment	-	-	(2)	30
Sundry Income	-	-	307	158
	-	-	215	1,972

10(I) PROPERTY AND EQUIPMENT - THE GROUP

	Leasehold Property GH¢'000	Motor Vehicles GH¢'000	Fittings & Furniture GH¢'000	Capital Work-in-Progress GH¢'000	Total GH¢'000
Revalued/Cost					
At 1 January	9,913	1,323	1,919	231	13,386
Additions	71	326	791	96	1,284
Disposals	-	(218)	(150)	-	(368)
Transfers	235	-	-	(235)	-
At 31 December	10,219	1,431	2,560	92	14,302
Comprising					
Cost of Assets Revalued	2,231	-	-	-	2,231
Revaluation Surplus	7,682	-	-	-	7,682
At Revaluation	9,913	-	-	-	9,913
At Cost	71	1,431	2,560	92	4,154
Transfers	235	-	-	-	235
	10,219	1,431	2,560	92	14,302
Depreciation					
Balance at 1 January	419	783	1,143	-	2,345
Charge for the Year	453	277	401	-	1,131
Released on Disposals	-	(183)	(150)	-	(333)
Balance at 31 December	872	877	1,394	-	3,143
Net Book Value					
At 31 December 2010	9,347	554	1,166	92	11,159
At 31 December 2009	9,494	539	778	231	11,042

10(ii). DISPOSAL OF PROPERTY AND EQUIPMENT

	2010 GH¢'000	2009 GH¢'000
THE GROUP		
Original Cost	368	224
Accumulated Depreciation	(333)	(224)
Net Book Value	35	-
Proceeds on Disposal	(33)	(30)
Loss/ (Profit) on Disposal of Property and Equipment	2	(30)

11. INTANGIBLE ASSETS (INSURANCE SOFTWARE)

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
At 1 January 2010	-	-	118	110
Additions	-	-	-	8
Balance at 31 December 2010	-	-	118	118
Amortization and Impairment loss				
Balance at 1 January 2010	-	-	76	71
Charge for the year	-	-	6	5
Balance at 31 December 2010	-	-	82	76
Net Book Value				
At 31 December 2010	-	-	36	42

12. INVESTMENT PROPERTY (GROUP)

	2010 GH¢'000	2009 GH¢'000
Fair Value at 1 January	2,993	2,690
Fair value gains	765	303
Fair Value at 31 December	3,758	2,993

The investment properties are all situated in the development areas of Accra, the capital city of Ghana. The latest revaluation of these assets was carried out on 31December 2010 by G+S Consultancy Limited.
The valuation of the property was based on open market value which indicates an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of valuation based on a number of assumptions.
Investment properties have not been pledged as security for any debt or liabilities.

13. INVESTMENT IN SUBSIDIARIES

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Investments in subsidiaries comprise:				
Shares in Enterprise Insurance	31,540	-	-	-
Shares in Enterprise Life Assurance Ltd	383	-	-	-
Consortium House Ltd	58	-	-	-
	31,981	-	-	-

Name of Subsidiary	Nature of Activity	Incorporation	% Interest Held
Enterprise Insurance Co. Ltd.	General Business	Ghana	100
Consortium House Ltd.	Real Estates	Ghana	100
Enterprise Life Ass. Co. Ltd.	Life Assurance	Ghana	51

14. OTHER INVESTMENTS

14(a) Fair value hierarchy- Financial instruments measured at fair value

IFRS 7 requires certain fair value disclosures for each class of financial instruments. It requires an entity to classify fair value measurement into fair value hierarchy with the following levels by reference to the observability and significance of the input used in making the measurement.

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange)

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana's securities and other derivative contracts
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Company considers relevant observable market prices in its valuation where possible. Financial instruments measured at fair value at December 31, 2010 were classified as follows:

Valuations based on Observable inputs

	(Level 1) GH¢	(Level 2) GH¢	(Level 3) GH¢	Total GH¢
Equities securities	39,898	-	-	39,898
Unlisted equity securities	-	-	12	12
Bonds	-	3,204	-	3,204
Fixed deposit	-	43,544	-	43,544
Treasury bills	-	28	-	28
Cash	-	729	-	729
Total	39,898	47,505	12	87,415

14(b) OTHER ASSETS

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Available-for-Sale Investments	-	-	32,595	17,552
Fair Value through profit and loss	-	-	54,791	29,265
Held-to-Maturity	-	-	29	28
	-	-	87,415	46,845

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Available-for-Sale Investment:				
Listed Investments at Fair Value	-	-	26,574	11,034
Unlisted Investments	-	-	12	12
Treasury Bills and Fixed Deposits	-	-	6,009	6,506
	-	-	32,595	17,552
Fair Value through profit and loss:				
Listed Investments at Fair Value	-	-	13,324	5,868
Treasury Bills and Fixed Deposits	-	-	38,263	23,081
Bonds	-	-	3,204	316
	-	-	54,791	29,265
Held-to-Maturity				
Treasury Bills	-	-	28	28
Current	-	-	47,505	29,931
Non – Current	-	-	39,910	16,914
	-	-	87,415	46,845

Sector Analysis of Investments in Equities on the Ghana Stock Exchange

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Financial	-	-	9,287	4,163
Manufacturing	-	-	29,744	11,976
Insurance	-	-	867	763
	-	-	39,898	16,902

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 *(cont'd)*

15. LOANS AND RECEIVABLES

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Originated at amortised:				
Loans bearing interest				
Related Parties in the Group	-	-	27	17
Loans to staff	-	-	221	328
Interest-free loans				
Loans to Staff	-	-	681	119
Total Loans	-	-	929	464
Insurance Receivables	-	-	1,342	4,488
Trade and Other Receivables	171	-	586	413
	171	-	2,857	5,365

To apply effective interest rate on staff loans

Car loans to staff are granted at an interest rate 5% per annum.

16. REINSURANCE ASSETS AND LIABILITIES

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Due From Re-insurers	-	-	2,195	2,109
	-	-	2,195	2,109

16(i) Reinsurance due from Re-insurers is made up of the following:

	THE COMPANY 2010 GH¢'000	THE COMPANY 2009 GH¢'000	THE GROUP 2010 GH¢'000	THE GROUP 2009 GH¢'000
Facultative Re	-	-	130	579
Facultative Re Claim Recovery	-	-	89	88
Statutory Re	-	-	1,734	840
Treaties and Quotas Ghana Re	-	-	5	3
Treaties and Quotas other Re	-	-	237	599
	-	-	2,195	2,109

16. REINSURANCE ASSETS AND LIABILITIES

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Due to Re-insurers	-	-	2,509	4,593
	-	-	2,509	4,593

16(ii) Reinsurance due to Re-insurers are made up of the following:

	THE COMPANY 2010 GH¢'000	THE COMPANY 2009 GH¢'000	THE GROUP 2010 GH¢'000	THE GROUP 2009 GH¢'000
Facultative Re	-	-	2,384	3,809
Facultative Re Claim Recovery	-	-	14	7
Treaties and Quotas Ghana Re	-	-	4	72
Treaties and Quotas other Re	-	-	107	705
	-	-	2,509	4,593

17. TAXATION

(i) Income Tax Payable

	Balance at 1/1/10 GH¢'000	Payments GH¢'000	Charged to P/L GH¢'000	Balance at 31/12/10 GH¢'000
THE COMPANY				
Income Tax				
2010	-	-	201	201
	-	-	201	201
THE GROUP				
Income Tax				
2003 - 2007	(62)	-	-	(62)
2008	35	-	-	35
2009	(292)	-	-	(292)
2010	-	(512)	646	134
Tax Credit	(125)	(27)	-	(152)
	(444)	(539)	646	(337)
National Fiscal Stabilisation Levy				
2009	59	-	-	59
2010	-	(134)	507	373
	59	(134)	507	432
	(385)	(673)	1,153	95

All tax liabilities are subject to agreement with the Internal Revenue Service

(ii) Income Tax Expense

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Corporate Income Tax	201	-	1,153	485
Deferred Tax Liability charged	-	-	180	37
	201	-	1,333	522

Reconciliation of effective tax rate

	2010 GH¢'000	2009 GH¢'000
Profit before taxation	803	-
Tax at 25 %	201	-
Tax effect of deductible and	-	-
Non-deductible expenses	-	-
Tax effect of capital allowance	-	-
Deferred tax	-	-
Current tax charge	201	-
Effective tax rate	25%	-

18. CASH AND BANK

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Cash	-	-	3	4
Bank Balances	341	-	7,405	5,099
	341	-	7,408	5,103

19. PROVISION FOR UNEARNED PREMIUMS (COMPANY AND GROUP)

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
At 1 January	-	-	6,264	3,787
Increase in Provision	-	-	888	2,477
At 31 December	-	-	7,152	6,264

Unearned premiums represent the proportion of the premiums written in periods up to the accounting date, which relate to the unexpired terms of policies in force at the balance sheet date, and are calculated at 45% of the premium written. No provision has been made for marine premiums due to the short-term nature of the class of business. The amount shown above is the net movement of provisions made in the prior period and balance outstanding at 31 December 2009.

20. OUTSTANDING CLAIMS

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
At 1 January	-	-	2,081	1,905
Claims reported and loss Adjustment Expenses	-	-	(715)	25
Recoveries from Re-insurers	-	-	220	507
IBNR	-	-	(134)	(356)
At 31 December	-	-	1,452	2,081

Insurance risks are unpredictable and it is impossible to forecast with absolute certainty future claims payable under existing insurance contracts. As such reasonable provisions are made to adequately cater for all insurance obligations when they arise.

Claims Provision

The Group's outstanding claims provision include notified claims as well as incurred but not yet reported claims, and due to the short term nature of the business, it is not considered necessary to discount any of the claims provision.

Notified Claims

Claims provisions are based on previous claims experience, knowledge of events, terms and conditions of the relevant policies and interpretation of circumstances.

Each notified claim is assessed on a separate case-by-case basis with regard to the specific circumstances, information available from the insured and the loss adjuster and past experience of similar claims. The Group employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment. In addition, the Group utilises the services of specialised administrators to perform the claims assessment process for some of its business.
The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Estimates are reviewed regularly and updated if new information becomes available.

Claims incurred but not yet reported (IBNR)

The majority of the Group's IBNR is calculated as a percentage of premiums written. This percentage is a best estimate reserve, which represents the expected value of the unreported claims liabilities. Different percentages are applicable for different classes of business and their appropriateness is assessed against the Group's past claims experience. There were no losses following the application of the liability adequacy test.

21. DEFERRED TAXATION

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Balance at 1 January	-	-	2,485	2,549
Charge to P & L Account	-	-	180	37
(Release)/Charge to Other Comprehensive Income	-	-	(624)	(101)
Balance at 31 December	-	-	2,041	2,485

Management considers it probable that future taxable profits will be available against which the deferred tax asset can be utilised. Deferred Tax was computed on Property, Plant and Equipment and Investment Property

22. TRADE AND OTHER PAYABLES

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Trade payables due to related parties	-	-	1,418	964
Trade Payables	596	-	5,414	2,312
Accrued Expenses	20	-	980	407
Balance at 31 December	616	-	7,812	3,683

23. DIVIDEND PAYABLE

	THE COMPANY		THE GROUP	
	2010 GH¢'000	2009 GH¢'000	2010 GH¢'000	2009 GH¢'000
Amounts due at I January	-	-	1,146	524
Amount declared for the year	525	-	1,750	2,180
Amount Paid	(525)	-	(2,896)	(1,558)
Balance at 31 December	-	-	-	1,146

24. STATED CAPITAL

	2010 '000	2009 '000
Authorized		
Number of ordinary shares of no par value	200,000	100,000

Issued	No of Shares	GH¢'000	No of Shares	GH¢'000
Cash	1	0.5	1	0.5
Consideration other than cash	131,210,825	31,598	-	-
	131,210,826	31,599	1	0.5

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares. Under the reorganisation of EIC, every share held in EIC was issued for five new shares in EGL.

25. CONTINGENCY RESERVE (GROUP)

	2010 GH¢'000	2009 GH¢'000
Balance at 1 January	3,808	3,016
Transfer from Income Statement	845	792
Transfer to Stated Capital	(4,575)	-
Balance at 31 December	78	3,808

The Company sets aside on an annual basis a contingency reserve of not less than three per cent of the total premiums or twenty per cent of net profit whichever is greater as required by the Insurance Act (Act 724).
Included in the balance as at 31 December 2010, is an amount of GH¢4,575,000 which was capitalised as part of acquisition costs.

26. LIFE ASSURANCE FUND

	2010 GH¢'000	2009 GH¢'000
Balance at 1 January	19,513	12,707
Transfer from income statement	17,356	6,805
Balance at 31 December	36,869	19,512

The latest actuarial valuation of the Life Fund as at 31 December 2010 was carried out by the consulting actuaries, Giles Waugh (Deloitte place) using the financial soundness valuation method. According to the valuations, the long-termliability of the fund stood at GH¢ 36.9million.

27. RERSERVES

This represents a total of revaluation reserves, fair value reserves and shares reserves.
Revaluation reserve is the surplus arising on the revaluation of the group's Leasehold properties. Fair value reserves represents marked to market unrealised gains/losses on investment securities and shares reserves represents unrealised gain on the company's share option scheme exercised.

28. RETAINED EARNINGS

This represents the residual of cumulative annual profits that are available for distribution.

29. RELATED PARTY TRANSACTIONS

The immediate holding company is Enterprise Group Limited with subsidiary companies as Enterprise Insurance Company, Enterprise Life Assurance Company Limited (ELAC), and Consortium House Limited.
Ventures and Acquisitions is the majority shareholder of Enterprise Group Limited.

Related party relationship exists between the Group, subsidiaries, associated company and the holding company. The holding Company enters into commercial transactions with these companies on an on-going basis. All material transactions are concluded at arm's length and are eliminated on consolidation.

Related Party Due from:

	2010 GH¢'000	2009 GH¢'000
Administration Fees		
Loans to Genesis	-	17
Amount due from EGL to EIC	382	-
Administration fees for EGL	80	-
Key Management Compensation		
ELAC	27	-
Loan to Senior Management	-	399
Staff cost and other expenses due from EGL to EIC	198	-
Rent and Utilities		
Consortium House Limited	189	-
Enterprise Life Assurance Company Limited	4	29
	880	445

30. EMPLOYEE BENEFITS

Analysis of Employee Benefits:

Incentive Scheme

All employees of the group are paid bonuses every year. The bonuses paid are subject to approval by the remuneration committee. A total amount of GH¢ 830,964 was paid in 2009 and GH¢ 747,000 in 2010.

Employee Share Ownership Plan

The Company's employees were entitled to participate in the Company's Share Ownership Plan which was instituted in 2001. The allocation is based on the employees' length of service to the company and is exercised at an issue price. The fair value of the shares exercised is compared to the issue prices and the difference is accounted for as employee benefits in the income statement.

The movement in the ESOS/ESOP is as shown below:

	2010 GH¢'000	2009 GH¢'000
Options outstanding 1 January	34	34
Exercised during the year	(26)	-
Options outstanding 31 December	8	34

Non Funded Pension

These are provisions made for Directors of the company approved during the year. At as 31 December 2010 a total provision of GH¢ 713,397 have been made (2009; nil)

31. SHAREHOLDERS' INFORMATION

i. Directors Shareholding at 31 December 2010

• Trevor Trefgarne	152,261
• Charles Paul Odei	62,500
• George Otoo	1,069,975
• Keli Gadzekpo	32,500
• Mrs. Margaret Clarke-Kwesie	25,000
• Emmanuel Kojo Idun	5,000

ii. Analysis of Shareholding at 31 December 2010

	Number of Shareholders	Number of Shares Holdings	Percentage
1–1,000	1,239	484,528	0.4
1,001–5,000	1,068	2,812,417	2.1
5,001–10,000	371	2,566,134	2.0
10,001 and over	554	125,347,746	95.5
	3,232	131,210,825	100.00

iv. List of Twenty Largest Shareholders at 31 December 2010

		Number of Shares	Percentage Holdings
1	Ventures and Acquisitions Limited	61,267,615	46.68
2	Ghana Reinsurance Company Limited	8,215,925	6.26
3	BBGN Re. Epack Investment Fund Limited	7,842,655	5.98
4	Social Security & National Insurance Trust	7,831,250	5.97
5	Snowden-Maxwell Janet	2,967,500	2.26
6	SSNIT SOS Fund	1,699,935	1.30
7	BBGN/ Epack Investment Fund Ltd –Transactions A/C	1,500,000	1.14
8	State Insurance Company Limited	1,261,725	0.96
9	BBGN/ Elac Policyholders Fund	1,143,115	0.87
10	Otoo George Banasco	1,069,975	0.82
11	SCBN/Barclays Mauritius Re Africa	1,020,075	0.77
12	Francis & Nomsa Daniels	851,925	0.64
13	NTHC Limited	819,915	0.63
14	BBG/Unilever Ghana Provident Fund	725,000	0.55
15	Alicia Knight & Christopher Debrandy Nancy Armstrong	694,470	0.53
16	Armstrong Nancy	687,585	0.52
17	Universal Insurance Consultants limited	650,000	0.50
18	Knight Kevin	648,770	0.49
19	Estate Of The late Patrick K Anim-Addo	625,000	0.48
20	Ghana International School Staff Provident Fund	600,000	0.46
		102,122,435	77.81

32. SEGMENT REPORTING

Segmental information is presented in respect of the group's business segments. The primary format and business segments, is based on the group's management and internal reporting structure.
The group's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue and expenses, and corporate assets and expenses which are managed centrally.
The group's main business segments are:

- Motor
- Fire
- Burglary
- Car
- Bankers Indemnity
- Goods in Transit
- Marine
- Engineering
- Life Assurance

The company does not have a geographical segment.

32. SEGMENT REPORTING *(cont'd)*

	Marine GH¢	Motor GH¢	Fire GH¢	Burglary GH¢	Car GH¢	Personal Accident GH¢	Public Liability GH¢	Bankers Indemnity GH¢	Engineering GH¢	Life Business GH¢	Others GH¢	Total 2010 GH¢	Total 2009 GH¢
Gross Premium	1,002,696	12,021,191	7,431,645	414,097	113,007	869,820	2,321,072	1,852,883	649,539	40,104,733	1,558,741	68,339,424	52,227,917
Less Coinsurance	-	-	(47,182)	(1,669)	-	(645)	(3,390)	(3,250)	(15,553)	-	-	(71,689)	(2,514,067)
True Gross	1,002,696	12,021,191	7,384,462	412,428	113,007	869,175	2,317,682	1,849,633	633,986	40,104,733	1,558,741	68,267,735	49,713,850
Reinsurance:-													
Facultative	(146,897)	(331,930)	(3,886,278)	(29,767)	(90,672)	(142,019)	(2,194,515)	(1,342,897)	(502,486)	(727,006)	(262,017)	(9,656,484)	9,647,077
Ghana Re	53	(51)	(156,329)	67	(1,625)	-	-	-	-	-	(8,009)	(165,894)	15,553
Treaty & Excess	(349,518)	(10,089)	(1,962,492)	(1,870)	(13,771)	(126,601)	-	-	(83,393)	-	(118,945)	(2,666,679)	2,802,661
Sub-total	(496,362)	(342,070)	(6,005,099)	(31,570)	(106,068)	(268,620)	(2,194,515)	(1,342,897)	(585,879)	(727,006)	(388,971)	(12,489,057)	12,465,291
Net Premium	506,334	11,679,121	1,379,364	380,858	6,939	600,555	123,167	506,736	48,107	39,377,727	1,169,770	55,778,678	37,248,559
Insurance Fund	-	(650,827)	(65,678)	12,296	4,147	(22,416)	49,484	(194,808)	(630)	-	(20,468)	(888,900)	(2,476,884)
Net Premium Earned	506,334	11,028,294	1,313,686	393,154	11,086	578,139	172,651	311,928	47,477	39,377,727	1,149,302	54,889,778	34,771,675
Commission Expense	(154,014)	(1,517,121)	(709,606)	(45,135)	(5,701)	(152,951)	(159,035)	(292,819)	(126,275)	(8,739,098)	(186,579)	(12,088,334)	(8,868,476)
Commission Income	145,361	96,602	1,143,164	9,317	12,252	38,347	305,958	313,223	143,089	-	111,586	2,318,899	2,749,326
Net Commission	(8,653)	(1,420,519)	433,557	(35,817)	6,551	(114,604)	146,923	20,404	16,815	(8,739,098)	(74,992)	(9,769,434)	(6,119,150)
Claims	(105,558)	(6,165,318)	(559,664)	(8,097)	3,804	(55,786)	(38,614)	(70,096)	(32,915)	(6,740,894)	(558,811)	(14,331,950)	(11,142,853)
Expenses	(274,189)	(6,324,447)	(746,949)	(206,242)	(3,758)	(325,211)	(66,697)	(274,407)	(26,051)	(9,102,447)	(633,451)	(17,983,849)	(12,277,659)
Less Transfer to Life Fund	-	-	-	-	-	-	-	-	-	(17,355,580)	-	(17,355,580)	(6,805,000)
Underwriting Loss	117,934	(2,881,990)	440,629	142,997	17,683	82,538	214,262	(12,171)	5,325	(2,560,292)	(117,953)	(4,551,038)	(1,572,987)
Other Income												14,237,635	5,770,000
Profit before Tax												9,686,393	4,197,013
Taxation												(1,333,000)	(522,000)
Profit after Tax and before minority Interest												8,353,393	3,675,013
Items unallocated to segment													
Total Assets												114,828,000	73,884,000
Total Liabilities												57,930,000	39,764,000
Depreciation												1,131,000	982,000

Major customers of the company constituting more than 10% of the total revenue are Vitol Holdings NV and Newmont Mining Corporation and Barclays Bank of Ghana

33. EARNINGS PER SHARE

Basic and Diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2010 was based on the profit attributable to ordinary shareholders of the company of GH¢602,000 (2009: Nil) and the group level of GH¢3,654,000 (2009:2,236,000) on a weighted average number of ordinary shares outstanding of 131,210,825 (2009: 26,216,665).

34. SENSITIVITY ANALYSIS

(i) Currency Risk

The group's exposure to foreign currency risk was as follows based on notional amounts.

	31 December 2010			31 December 2009		
	Euro '000	**US$ '000**	**GBP '000**	**Euro '000**	**US$ '000**	**GBP '000**
Assets						
Cash and Bank Balances:						
Bank	409	864	224	205	879	256
Premium Debtors	78	733	-	38	2,359	15
Due from Re-insurers	119	49	24	-	-	13
Liabilities						
Due to Re-insurers	(68)	(1,320)	(4)	(61)	(1,924)	-
Gross Exposure	538	326	244	182	1,314	284

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2010	**2009**	**2010**	**2009**
Cedis				
Euro	2.06	1.9300	1.9239	2.0600
US$	1.4000	1.4000	1.4407	1.5000
GBP	2.5000	2.1750	2.2315	2.5000
CHF	1.2291	1.2291	1.3822	1.3822

Sensitivity Analysis on Currency Risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's income statement. This sensitivity analysis indicates the potential impact on the income statements based upon the foreign currency exposures recorded at 31 December. (See "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average rate per currency recorded in the course of the respective financial year.

34. SENSITIVITY ANALYSIS

Sensitivity Analysis on Currency Risks

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased equity and income and income statement by the amounts shown below:

(ii) Financial Risk Management

This analysis assumes that all other variables, in particular interest rates, remain constant.

	2010			2009		
	% Change	**Income Statement Impact Strengthening**	**Income Statement Impact Weakening**	**% change**	**Income Statement Impact Strengthening**	**Income Statement Impact Weakening**
In GH¢'000						
Euro	+/-2%	73	(73)	±7%	113	(113)
US$	+/-2%	33	(33)	±5%	80	(80)
CHF	+/-2%	38	(38)	±3%	48	(48)
GBP	+/- 3%	78	(78)	±6%	96	(96)

RESOLUTIONS

Ordinary Resolutions

The Board of Directors will be proposing the following resolutions, which would be put to the Annual General Meeting:

To receive the 2010 Accounts

The Board proposes the acceptance by shareholders of the audited Financial Statements for 2010 and the Reports of the Auditors and the Directors thereon in respect of the year ended 31st December, 2010.

To declare a dividend

The Directors recommend the payment of a final dividend of GHC0.006 per share for the year ended 31st December, 2010. This would bring the total dividend for the year 2010 to GHC0.01 per share.

To re-elect retiring Directors

The following Directors of the Board, Mr. Trevor Trefgarne, Mr. Martin Eson-Benjamin, Her Excellency Mrs. Margaret Clarke-Kwesie, Mr. Keli Gadzekpo, Mr. Ken Ofori-Atta and Mr. Emmanuel Idun are retiring in accordance with s. 298(a) of the Companies Act, 1963 (Act 179). The afore-mentioned Directors are eligible for re-election and have offered themselves to be re-elected as directors of the company.

To authorise the Directors to fix the remuneration of the Auditors

The Board would request that the Directors be authorised to fix the remuneration of the Auditors.

To approve Directors' Remuneration

The Board would request in accordance with s. 194 of Companies Act, 1963 (Act 179), that members approve the remuneration of Directors.

To approve the appointment of new Auditors

In the interest of good governance, the Board has established a guiding principle for itself; to engage a new firm of Auditors every five years. The rationale behind this principle is to ensure transparency in the Company's affairs and excellence in service delivery from the Auditors. The Board therefore recommends that the Company appoint the firm of PwC Ghana as its Auditors as from July 1, 2011. The Board wishes to use this opportunity to express its appreciation for the able and dedicated manner in which KPMG has served the Enterprise Group of Companies.

To authorise Directors to approve an Executive Share Option Scheme

The Enterprise Group is expanding its horizons as indicated in our Annual Report to Shareholders. Key to the success of the Group will be the engagement and management of its human resource. The Board therefore recommends the introduction of an Executive Share Option Scheme (ESOS) in order to attract and retain key executives and staff within the Group. The Board recommends that 3% of EGL's authorised share capital be allocated to the ESOS.

Allocations under this Scheme will be made to key executives and staff strictly on the basis of their achievement of targets designed to enhance total Shareholder value.

The Rules governing the Executive Share Option Scheme are available for Shareholders perusal at the Registrar's Office, NTHC Limited, 1st Floor, Martco House, Adabraka.

RESOLUTIONS *(cont'd)*

Special Resolution

To pass a special resolution to ratify the amendment of the Company's regulations following the Company's listing on the Ghana Stock Exchange.

At the Extraordinary General Meeting called by Enterprise Insurance Company Limited on August 12, 2010, shareholders voted, among other resolutions:

1. "to exchange the shares of the existing shareholders of the Company for shares of Enterprise Group Limited in the ratio of five (5) new shares of Enterprise Group Limited to one (1) existing share of the Company; (page 54 of the circular to shareholders, resolution (a) (i)) and also

2. to authorise the Board "to do all acts and things so as to carry into effect the purposes of the foregoing resolutions, and to authorize the execution on behalf of the Company of any and all documents which may be required pursuant to or in connection with the above resolutions." (page 54 of the circular to shareholders, resolution (d)):

To give effect to the reorganisation and to ratify the Board's actions in connection with the reorganisation, the Board recommends approval of the following resolutions:

1. That EGL's regulation 7 be amended, to increase the Company's authorised shares from 100,000,000 ordinary shares of no par value to 200,000,000 ordinary shares of no par value; and

2. That EGL's shares be issued in uncertificated or dematerialised form in conformity with the Central Securities Depository Act, 2007 (Act 733) by amendment of the Company's regulation 14;

3. The Board is also asking that Shareholders pass a resolution for the amendment of the Company's regulations to enable the Company to purchase its own shares under s. 59 of the Companies Act, 1963 (Act 179).

This being the first Annual General Meeting of Enterprise Group Limited, this is the Board's first opportunity to lay these matters before Shareholders for ratification.

PROXY FORM

I/WE ....being a member / members of Enterprise Group Limited
(Block Capitals Please)

Hereby appoint ....or failing him Trevor Trefgarne or failing him George Otoo as my / our proxy to vote on my / our behalf at the Annual General Meeting of the Company to be held on Thursday, June 2, 2011 and at any adjournment thereof.

The General Meeting hereby resolves the following:

RESOLUTION	FOR	AGAINST
1. To adopt the Reports of the Directors and the Auditors and the Financial Statements..		
2. To declare a final dividend		
3. To re-elect retiring Directors		
a. Trevor Trefgarne		
b. Ken Ofori-Atta		
c. Keli Gadzekpo		
d. H. E. Mrs. Margaret Clarke-Kwesie		
e. Martin Eson-Benjamin		
f. Emmanuel Idun		
4. To appoint new Auditors		
5. To authorise the Directors to fix the remuneration of the Auditors		
6. To approve Directors' Remuneration		
7. To introduce an Executive Share Option Scheme		
8. To Ratify the Amendment of the Company's Regulations a. Regulation 7		
b. Regulation 14		
c. To enable the Company to purchase its own shares		

Dated this .... day of 2011

Signature: ....

CUT HERE CUT HERE

IMPORTANT: - Before posting the attached form please tear off this part and retain it – see over. A member (Shareholder) who is unable to attend the Meeting is allowed to vote by proxy. The attached form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the Meeting. Following the normal practice the names of two Directors of the Company have been inserted on the proxy form to ensure that someone will be present at the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form the name of any person whether a Member of the Company or not, who will attend the Meeting and vote on your behalf, instead of one of the Directors. Please complete and post the proxy form in time for it to reach the address indicated in the Notice on page 2 not later than 48 hours before the time of the holding of the Meeting.

Please Affix Stamp Here

First Fold Here

The Registrar
NTHC LIMITED
1st Floor, MARTCO House, Adabraka
P. O. Box KIA 9563
Airport
Accra - Ghana

Second Fold Here

Third Fold Here

Cut Here *Cut Here*

IMPORTANT: A member attending the meeting should not produce this form.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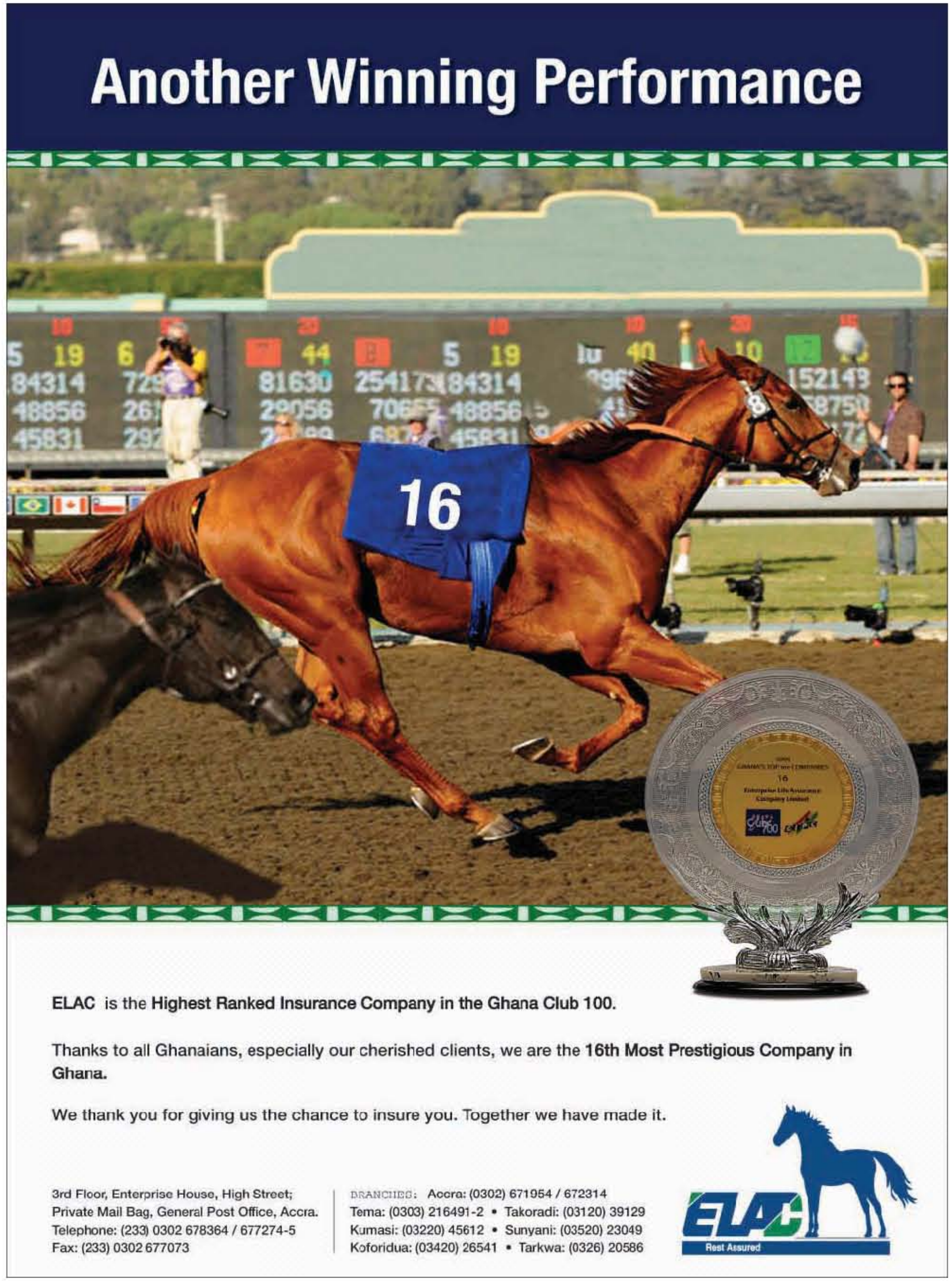
Another Winning Performance
16
ELAC is the Highest Ranked Insurance Company in the Ghana Club 100.
Thanks to all Ghanaians, especially our cherished clients, we are the 16th Most Prestigious Company in Ghana.
We thank you for giving us the chance to insure you. Together we have made it.
3rd Floor, Enterprise House, High Street; Private Mail Bag, General Post Office, Accra. Telephone: (233) 0302 678364 / 677274-5 Fax: (233) 0302 677073
BRANCHES: Accra: (0302) 671054 / 672314
Tema: (0303) 216491-2 • Takoradi: (03120) 39129
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