enterprise GROUP
Your Advantage

Meeting changing needs

Annual Report & Financial Statements 2016 enterprise

GROUP

Your Advantage

Vision

In all our markets, our pedigree will be recognized, our strength respected, our expertise valued and our solutions sought by all who desire an advantage in life.

Mission

We provide all who come into contact with us their desired advantage because...
we are the best at what we do!

Values

- **F**riendliness
- **T**rust
- **R**eliability
- **E**xcellence
- **Professionalism**

enterprise INSURANCE

enterprise LIFE

enterprise TRUSTEES

enterprise PROPERTIES

enterprise FUNERAL SERVICES

Contents

Notice of an Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of Enterprise Group Limited (the **"Company")** will be held on **Tuesday, August 8, 2017** at the College of Physicians and Surgeons, 54 Independence Avenue, Ridge, Accra, Ghana at **10 am** for the following purposes:

ORDINARY BUSINESS

1. to receive the financial statements of the Company (together with the reports of the directors and the auditors of the Company) for the year ended December 31, 2016;
2. to re-elect the following retiring directors of the Company:
   (a) Mr. George Otoo; and
   (b) Professor Angela Ofori-Atta;
3. to ratify the appointment of the following as directors of the Company:
   (a) Mr. Daniel Larbi-Tieku;
   (b) Mr. Cleland Cofie Bruce Jnr; and
   (c) Mr. Fiifi Kwakye;
4. to authorise the directors of the Company to fix the remuneration of the auditors of the Company; and
5. to approve the remuneration of the directors of the Company.

SPECIAL BUSINESS
as ordinary resolutions:

1. to approve and authorise the proposed renounceable rights issue to be undertaken by the Company to raise additional capital of up to the GHS equivalent of USD 50,000,000;
2. to authorise the board of directors of the Company to determine the share price, number of offer shares, allotment and other modalities, and the duration of the proposed renounceable rights issue, taking into account market conditions, and subject to the Company's Regulations and applicable regulatory requirements;

as special resolutions:

3. to increase the authorised shares of the Company from 200,000,000 to 1,000,000,000 by amending and adopting Regulation 7 of the Company's Regulations as follows:

   "The Company is registered with 1,000,000,000 ordinary shares of no par value."; and
4. to increase the maximum number of directors of the Company from 9 to 11 by amending and adopting Regulation 83 of the Company's Regulations as follows:

   "The number of directors of the Company shall not be less than two (2) or more than eleven (11)."

DATED, THIS 7TH DAY OF JULY, 2017

BY ORDER OF THE BOARD OF DIRECTORS
SADIA CHINERY-HESSE
COMPANY SECRETARY

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/it. A proxy need not be a member of the Company. A form of proxy is attached to a circular sent to members and, for it to be valid for the purpose of the meeting, it must be completed and deposited at the office of Company's Registrar: NTHC Limited, 1st Floor, Martco House, Adabraka or P.O Box KIA 9563, Airport, Accra as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting.

Five Year Financial Summary

(All amounts are expressed in thousands of Ghana cedis)

	2016	2015	2014	2013	2012
Group Net Income	420,546	349,305	288,374	230,968	145,694
Net investment income	85,622	74,986	74,517	68,001	31,505
Net insurance Premium	308,092	253,712	203,932	157,783	111,928
Net Benefits & Claims	207,210	178,121	129,921	114,726	60,998
Operating Expenses	93,424	70,073	53,896	41,394	31,349
Profit before tax	75,765	59,041	69,581	41,394	32,662
Profit after tax	68,001	51,567	61,289	39,673	29,896
Total Equity and surplus	318,174	276,137	223,293	135,152	106,536
Total Assets	812,085	633,450	485,951	345,997	223,626
Number of shares	**133,820,825**	**133,270,825**	**131,900,825**	**131,210,825**	**131,210,825**
Earnings per share (Gh¢)	0.257	0.207	0.288	0.238	0.148
Dividend per share (Gh¢)	-	0.050	0.215	0.045	0.032
Return on Assets (%)	9.41	9.21	14.73	13.93	15.88
Return on Equity (%)	14.60	13.33	21.20	27.30	22.43
Share price (Market) (Gh¢)	2.40	2.40	1.75	1.88	0.48
Price Earnings Ratio	9.34	11.59	6.08	7.90	3.24

Corporate Information

Board of Directors

Trevor Trefgarne	-	Chairman
Keli Gadzekpo	-	Group Chief Executive Officer
Daniel Larbi-Tieku	-	Group Chief Finance Officer *(appointed 18th November, 2016)*
Cleland Cofie Bruce Jnr.	-	Group Chief Operations Officer *(appointed 18th November, 2016)*
George Otoo		
Martin Eson-Benjamin		
H. E. (Mrs.) Margaret Clarke-Kwesie		
Prof. Angela Ofori-Atta		
Fiifi Kwakye		*(appointed 18th November, 2016)*
Emmanuel Idun	-	Executive Director *(resigned 18th November, 2016)*

Secretary
Sadia Chinery-Hesse
Enterprise Group Limited
No 11 John Evans Atta Mills High Street
PMB 150, GPO
Accra

Solicitors
Sam Okudzeto & Associates
3rd Floor, Total House
Liberia Road, Accra
P. O. Box 5520
Accra - North

Independent Auditor
KPMG, Chartered Accountants
Marlin House
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

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

Registered Office
Enterprise House
No. 11 John Evans Atta Mills High Street
PMB 150, GPO
Accra
Telephone: 0302 666847-9, 0302 666856-8

Bankers
Barclays Bank of Ghana Limited
Standard Chartered Bank Ghana Limited

Chairman's Review

Our businesses performance in 2016 was better than anticipated. We continue to grow our businesses, maintaining our leading industry positions. This places us in a strong position to benefit from the improving economic situation in 2017.

Trevor Trefgarne
Chairman,
Enterprise Group Limited

Before starting on my usual review of the 2016 results, I remind shareholders that Enterprise Group Limited informed the Ghana Stock Exchange on 23rd June 2017 of a transaction to introduce a new strategic partner in place of Sanlam Emerging Markets Proprietary Limited of South Africa (Sanlam) in three of its subsidiary companies, namely, Enterprise Life, Enterprise Insurance and Enterprise Trustees

This new partner called Black Star Holdings Limited (BSHL), is owned by Leapfrog Strategic African Investments (LSAI). LSAI is a separate managed account held by Leapfrog Investments and Prudential Financial Inc. of America (PFI).

Taken as a whole these are welcome and transformational new arrangements that we expect to considerably support Enterprise Group's growth agenda both in Ghana and West Africa.

BSHL has also committed to support our proposal to raise new capital for the Group's growth agenda. A resolution for the Rights Issue is part of the business for the AGM. The issue is intended to yield the Ghana cedi equivalent of USD50m. Shareholders are entitled to take up their pro-rata entitlement at the issue price of GHS6.00 per share which is the effective value of Enterprise Group as established by the aforementioned transaction. This recognises the considerable value in Enterprise's subsidiaries as confirmed by the consideration payable to Sanlam of US$130m for their minority interests.

Chairman's Review *(continued)*

Any entitlement not taken up by the existing shareholders will be taken up by BSHL at the issue price, namely GHS6.00. The Board took advice from Boulders Advisors Limited, who confirm that the terms are fair and reasonable. Your Board therefore recommends that shareholders vote in favour of the Resolution at the AGM.

Review of 2016 Results

The business operating environment in 2016 was one of uncertainty, driven mainly by the charged political environment, concerns over what the outcome of the elections would be, and the implications for economic and social stability. This atmosphere affected both business and consumer confidence, already at a low, due to the economic slowdown of the recent past and constrained consumer purchasing power.

Against this background, our businesses performance in 2016 was better than anticipated. We continue to grow our businesses, maintaining our leading industry positions. This places us in a strong position to benefit from the improving economic situation in 2017 following the election of H.E. Nana Akuffo-Addo as President of Ghana. Like any insurance company, we rely on the prosperity of our clients to grow, and Enterprise Group therefore benefits as the economy improves.

The Economic Outlook for 2017

The new administration's economic programme for 2017 is, in our view, ambitious but achievable. The 2017 Budget places an emphasis on competent management of the economy, fiscal and monetary discipline as well as economic stability. Additionally, the Government intends to provide tax based and other incentives to stimulate private sector growth, which is expected to generate new revenue streams for Government, as well as create employment, development and new investment opportunities.

Key economic KPI's include a GDP growth target excluding oil projected at 4.6% and including oil at 6.3%; an average inflation rate of 12.4% and an overall fiscal deficit of 6.5% of GDP.

We believe that many of the detailed initiatives supporting the 2017 Budget have the potential to revive confidence, the absence of which has resulted in Ghana's economic performance being far below potential over the last couple of years. However, much will depend on effective implementation of these initiatives.

We remain positive about Ghana's future with overall Government policy direction helping in building a sound economy within which Ghanaians and Enterprise can prosper.

Strategy and Business Performance

The difficult operating environment experienced since 2015 has meant that Enterprise has not met the ambitious growth objectives it set for itself for income growth.

Many of the initiatives on new business entries and strategic partnerships have been slower to get off the ground as the business climate deteriorated. Given the strengthening economy, we envisage improvement in growth over the coming years. Additionally, our new partnership should enable us to grasp the opportunities we see across West Africa.

Two specific projects have nonetheless been completed. The construction works at our Funeral Home in Haatso were progressed in 2016 and we have now fully commenced our funeral business, trading as "Transitions – The Funeral People". This is a high quality service provider that has benefitted from our technical partners, Doves of South Africa.

We also recently completed the construction of our Advantage Place office tower in Ridge, Accra which is now letting well. This Project cost USD33m and, given cash constraints, we utilised a USD15m bank facility. Rent levels being achieved in the open market are less than expected, but at this stage we have prioritised tenant quality for what is an outstanding 8,900 sq m development in Accra's prime business area.

In our operating subsidiaries we have extended our product offerings in insurance products for individuals with higher disposable incomes, and development of plans and partnerships for extending our product and service offerings beyond Ghana are in progress.

Our business performance in 2016 was creditable, delivering a Net Income growth of 20.4%. Profit growth exceeded our target with PBT improving against prior year by 31.9% to GHS 68m.

Chairman's Review

Share Price Performance, Cash and Dividends

2016 was another lacklustre year on the Ghana Stock Exchange. The GSE Composite Index registered a decline of 15.3% in the full year, driven by the Financial Stocks Index which registered a decline of 19.93%. Enterprise Group's share price remained relatively flat throughout 2016 at a share price of GHS 2.40 per share. Admittedly, the performance of listed companies was mixed and reflected the downbeat business atmosphere. As at the end of April 2017, the market has seen some recovery, again driven by the Financial Stocks Index. We expect the more positive business environment to drive investment interest in the GSE, ultimately leading to a more realistic valuation of equities, taking account of the current low market P/E's. As referred to earlier, the transaction with Black Star Holdings sets values for our subsidiaries that translate to a price of GHS6.00 per EGL share, which is approximately 2.5 times the GSE price on 30th June 2017. This value reflects in particular the actuarial values in Enterprise Life which are not evident under IFRS in our published Financial Statements. Given the increasing importance of our Life business, we propose to bring shareholders attention to such Actuarial information on a regular basis in the future.

Your Board remains conscious of the income expectations of shareholders and will give consideration in due course and subject to results, to a dividend for the 2017 financial year.

Management and Staff

On behalf of Directors and shareholders, I once again express our thanks to the Management and staff for their achievements in 2016.

Board Changes

Last year we announced important changes in the Senior Management team of Enterprise Group, specifically, the appointments of Messer's CC Bruce and Daniel Larbi-Tieku into the roles of Chief Operations Officer and Chief Financial Officer of Enterprise Group respectively. I am pleased to inform you that your Board has appointed both Mr. Bruce and Mr. Larbi-Tieku to the Board.

The Board further appointed Mr. Fiifi Kwakye, Chairman of Enterprise Life and Enterprise Trustees, as a Director.

These appointments are brought before you for ratification. We are confident that these talented executives will make valuable future contributions to the deliberations of the Board.

I know shareholders will join me in recognising the near 30 year service of our Non-Executive Director, Her Excellency Mrs Margaret Clarke-Kwasie, who has indicated that she will not stand for re-election at the AGM. She joined the Board 30 years ago when our listed company was Enterprise Insurance Company Limited and more recently after the re-organisation as Enterprise Group Limited. Margaret, on behalf of your Board colleagues at Enterprise and all our shareholders, I would like to thank you for your great contribution to our deliberations.

Future Prospects.

The long term prospects and potential in our business sector remain good. 2017 has started well and our new partnership and the supporting US$50m additional capital gives great confidence for the future.

Trevor Trefgarne
Chairman, Enterprise Group Limited

Board of Directors - Enterprise Group Limited

(Left to Right):
Sitting
H. E. Mrs. Margaret Clarke-Kwesie, *Director,* **Trevor Trefgarne**, *Chairman,*
Keli Gadzekpo, *Group Chief Executive Officer,* **Angela Ofori-Atta,** *Director*,

Standing
Daniel Larbi-Tieku, *Chief Financial Officer,* **Cleland Cofie Bruce Jnr.,** *Chief Operations Officer*,
Martin Eson-Benjamin, *Director,* **Sadia Chinery-Hesse,** *Secretary,* **Fiifi Kwakye,** *Director,*
George Otoo, *Director.*

Non-Executive Directors of Subsidiary Companies

John Melville
Director - Insurance

Francis Koranteng
Director - Insurance

Matilda Obeng–Ansong
Director - Life

Margaret Dawes
Director - Life & Trustees

Kwabena Asante
Director - Properties

Group Chief Executive Officer's Review

We continued our quest for deepening the "One Enterprise" concept by opening a second "Enterprise Market", and creating Centres of Excellence for customer care and collaboration in the Group's marketing & social responsibility efforts.

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Limited

I am pleased to announce that your company has entered a new era of growth and expansion with our recently announced partnership with Leapfrog Strategic African Investment (LSAI) and Prudential Financial Inc. of America (PFI). Enterprise Group and all its subsidiaries are in a very unique space in which to embark on a significant scaling up of activities towards achieving the very ambitious objectives set out in our 5 year strategic vision.

As announced on June 23, 2017, in addition to replacing Sanlam as our strategic partner, LSAI through its designated special purpose vehicle; Black Star Holdings Limited (BSHL), has committed to providing the Ghana Cedi equivalent of USD50m towards EGL's growth agenda. After due consideration of the various ways in which EGL can best access and utilize this LSAI commitment, we have decided to come to you, our Shareholders, to approve a Rights Issue which will be fully underwritten by LSAI. Given the value accretion from the Sanlam buyout price of $130m, EGL shareholders currently have an implied per share price of GHS6.00 which represents a historical price growth of over 150%.

Group Chief Executive Officer's Review *(continued)*

ACHIEVEMENTS
An exciting, somewhat difficult, but ultimately successful year.

GH¢420M
GROUP NET INCOME

GH¢308M
NET INSURANCE PREMIUM

GH¢812M
TOTAL ASSETS

GH¢68M
PROFIT AFTER TAX

Shareholders therefore have a lot of capacity to make their decision on whether or not to participate in the Rights Issue and still enjoy considerable capital appreciation, regardless of the choice they make. Consequently, I strongly recommend the proposed Rights Issue to all shareholders.

Review of 2016 Results

2016 was a good year for Enterprise Group as we anticipated the many challenges thrown up by the competitive, regulatory, economic and evolving social climate, and managed these to good effect to achieve the results we are presenting to you.

As we began 2016 there appeared to be only one item on the Ghana agenda, that being the December 2016 Presidential and Parliamentary elections. Important as these elections were, they tended to divert attention from the continuing developmental needs of the country and business in general. Much needs to be done to break the quadrennial cycle of inaction and deferred decision-making during election years. I look forward to a time when the business of running the economy is not disrupted during an election year.

As a business with a long term view, we focused our attention on executing our strategy and progressing some major initiatives to take us even beyond the current strategic plan period of 2019. There is no doubt however that much more could have been achieved, but for the diminished business confidence and the elections.

Major business initiatives undertaken by your company included a focus on new business development, growth, quality and retention in the existing business portfolio, securing finance for property development and technology to service our clients better.

2016 Group Net Income at GHS 420.5m represented a growth of 20.4%, with the underlying core insurance businesses delivering a growth of 21.4%. Profit after Tax at GHS 68m represented a growth of 31.9%.

Competitive and regulatory environment

The regulatory environment remained active throughout 2016. The National Insurance Commission's focus was on improving industry governance, including mandatory training sessions for the statutory Boards of industry players, and improving compliance with existing Regulations. This included tightening of the rules on local capacity utilization and review of the framework around intermediary commissions.

The National Pensions Regulatory Authority tightened industry governance standards, including the composition of the Boards of Trustees of Registered Pension Schemes, and reviewed Fund Investment Rules.

Generally, Regulators assumed a more assertive posture over their respective industries

Group Chief Executive Officer's Review *(continued)*

Group Strategy

During 2016 we undertook extensive work to progress our vision of extending the Enterprise Eco System beyond the existing core business portfolio and geography. Driving the extension are new relationships and partnerships. Progress in this regard has been slower than our original plans anticipated, however we believe that the principles and objectives of the Enterprise Eco System remain valid and will be pursued, albeit at a slower pace.

We successfully launched the Funeral Services business "Transitions – The Funeral People" successfully building on our partnership with Doves of South Africa.

Good progress was made as can be seen from the Group's financials in terms of growth on the back of improving the quality of business, brand building, customer care, retention and profitability. Admittedly, we fell short in terms of dividends and shareholder return, as the Enterprise share price remained flat, and as funding of our investment property development, through the acquisition of debt to finance the project's completion, constrained cash resources. We are working on potential partnerships for our 7th Avenue development "Advantage Place" which we expect will ease the pressure on cash and improve the potential for resuming the payment of dividends.

We continued our quest for deepening the "One Enterprise" concept by opening a second "Enterprise Market", and creating Centres of Excellence for customer care and collaboration in the Group's marketing & social responsibility efforts.

We completed a comprehensive review of the Group's technology platforms and requirements for the medium term. Arising from this review are a number of actions encompassing structural, technical and process changes to align the Group's technology with our strategic objectives.

Finally, the results achieved in the face of significant changes to the operational management teams, and some negative environmental factors including the poaching of talent by competitors, is testimony to the progress made on the people development aspect of our strategic framework

Financial Performance

Revenues

Net Income growth was 20.4%, taking the Group's Net Income to GHS 420.5m, versus the GHS 349.3m achieved in 2015. Growth was driven by Net Insurance Revenue growth of 21.4% and Investment Income growth of 14.2%.

Growth was driven by the core insurance businesses which achieved Net Insurance Premium Revenue growth of 38.7% and 16.4% from the General and Life businesses respectively. Enterprise Trustees had another excellent year, delivering a growth of 82.3% in Fee Income.

Total Investment Income of GHS 81.3m represented a growth of 26.4%, driven mainly by good yields on Fixed Income Securities. The performance of listed equities on the Ghana Stock Exchange was again poor, with the GSE index reflecting losses for the third consecutive year. The poor performance of the GSE is indicative of the diminished business confidence and the poor performance of the financial sector, specifically the banks, whose performance was adversely impacted by the substantial impairment charges. So far in 2017, the activity level on the GSE has intensified resulting in the reversal of losses achieved in prior years. This is good news as yields on Fixed Income, a very substantial component of Investment Income, continue to fall.

Operating Costs

Group Net Expenses of GHS 344.8m represented an overall growth of 18.8%. The main factors driving expenses were insurance benefits & claims and operating expenses, which registered cost growth of 22.9% and 33.3% respectively. Materially lower growth rates of 6.1% and 2.3% on Insurance Contract Liabilities-Life Fund and Commission Expenses reduced the overall impact.

Net claims costs of GHS 133.9m, represented a growth of 22.9%, and were heavily influenced by claims growth of 26% in the Life business, with the unfavourable economic climate driving encashment of policies.

Enterprise Trustees were also adversely affected by non-retirement claims.

Commission Expense growth of 2.3% was basically due to improvements in the management of the Sales Teams.

Group Chief Executive Officer's Review *(continued)*

Operating and Management Costs of GHS 93.4m represented a growth of 33.3% and were driven by growth in employment costs; the cost of start-up operations such as the funerals business, and general cost growth in the economy.

Profits

Profit after Tax of GHS 68m represented a margin of 16.1% of Net Income against prior year's margin of 14.7%.

Profit attributable to Enterprise Group shareholders was GHS 34.4m versus GHS 27.6m achieved in 2015, representing an improvement of 24.9%.

Return On Equity and Return On Assets were 14.6% and 9.4% respectively, both represented improvements on prior year's 13.3% and 9.2% respectively.

Earnings Per Share of GHS 0.257 compared with that of GHS 0.207 in prior year are attributable to Enterprise Group members.

Cash Flows

As predicted, the management of cash remained a focus issue throughout 2016 as major projects and initiatives such as property development and start-up operations, as well as expenses absorbed cash resources.

We secured debt financing of US$ 15m to fund the completion of the 7th Avenue Development, which effectively completed in Q2 2017.

Net decrease in cash and cash equivalents was GHS 74.8, and cash and cash equivalents held at year end were GHS130.6m.

Statement of Financial Position

Total Group Assets registered a growth of 28.2% to GHS 812.1m. The growth was driven by investments in properties of 34.5% to GHS 176.2m as the two major projects underway neared completion. Investment Securities grew 20.9% on account of the good yield received on Fixed Income. Cash and Bank Balances were elevated at GHS 100.9m, aided by partial repayment of pre-financing provided by the Group for the 7th Avenue Project.

Net Assets grew to GHS 318.2m on account of the growth in the Groups assets. Net Assets attributable to Enterprise Group shareholders grew 14% to GHS 235.8m.

Management & Staff

My sincerest thanks goes to my Management team for all their hard work, commitment and loyalty to Enterprise.

Forward view Prospects for 2017

We look forward to a very successful year driven by possibilities presented by the environment, and our new and very promising partnership with LSAI and PFI. We aim to work towards realising those possibilities for the benefit of our Shareholders in 2017 and beyond.

I take this opportunity to thank my top team and the Board of Directors of EGL and all its subsidiaries for the clarity and support given me to enter into this new partnership. I also wish to use this opportunity to welcome our new partners, LSAI and PFI, to the Enterprise Family.

Keli Gadzekpo
Chief Executive Officer. Enterprise Group Limited


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Get paid fast
Terms and conditions apply
At Enterprise Insurance, we pay your claims fast when tragedy strikes, so you can get on with your life.
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Contact us on +233 302 666 856 - 8 / 666 847 - 9
Email: info@enterprisegroup.com.gh
enterprise
INSURANCE
Your Advantage
associated with Sanlam group

Enterprise Insurance Company Limited Report

The areas that fuelled our growth were retention of existing business as well as increased efficiencies and collaboration from our intermediary channels. We set up a renewal team to consolidate the business retention processes hoping to reap the full benefits in the near future.

Kwame Ofori
Executive Director, Enterprise Insurance

The Regulatory Front

Following the various interventions introduced by the regulator (National insurance Commission - (NIC)) in 2015, the year 2016 witnessed further strengthening within the regulatory space with the introduction of further directives.

Pursuant to Sections 37 & 38 of the Insurance Act, 2006 (Act 724), the NIC introduced new guidelines on utilization of local capacity requiring insurers to secure prior approval of having exhausted local capacity before resorting to overseas reinsurers.

Additionally, the GIA in association with the NIC introduced minimum rates for all classes of non-life insurance policies.

The period also saw a review of Intermediary commission rates in line with Sec. 77 of the Insurance Act 2006, and also streamlined the commission rates payable on overseas facultative reinsurances. On the whole, the approved commission levels for both local and overseas partners worked in our interest.

Enterprise Insurance Company Limited Report *(continued)*

The Motor Insurance tariff which has witnessed a phased increment of premiums over the last year saw an increase in 2016. The final phase of the approved, gradual incremental increase in Third Party premiums is expected to be implemented in 2017.

Our Business

The economic environment in 2016 continued to be challenging with the Ghana Cedi experiencing its fair share of depreciation against other currencies. The resultant impact on our business was a rise in claim costs due to an appreciation in the prices of replacement parts/ items. We continued to educate our clients on the need to regularly review their sums insured upwards to ensure they are adequately indemnified in the case of a loss. The internal claims processes were further streamlined.

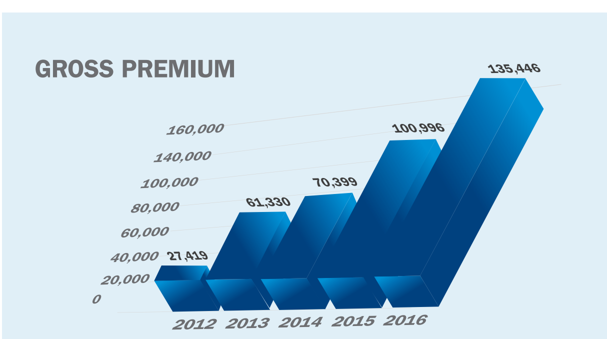
Being an election year, we witnessed the rather "wait and see" approach adopted by investors. Having anticipated this, we worked hard at meeting a greater part of our annual target by the end of the third quarter so as not to be adversely affected by the economic slowdown that characterises political seasons.

The areas that fuelled our growth were retention of existing business as well as increased efficiencies and collaboration from our intermediary channels. We set up a renewal team to consolidate the business retention processes hoping to reap the full benefits in the near future.

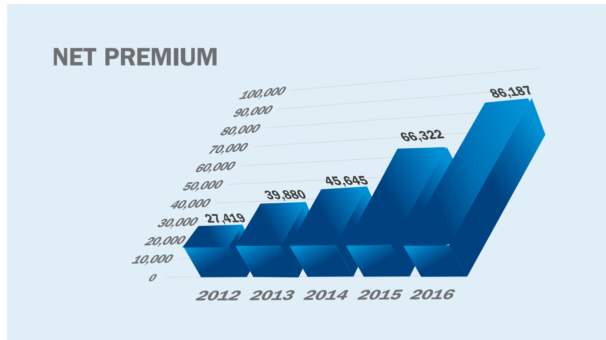
We ended the year with the organisation of an Agency Conference and Awards Program for very active and top-performing agents. This was organized to appreciate and motivate our agents to boost their production. We will continue with this in the coming year to ensure we reap the maximum benefit from this channel.

Company Results

Gross Premium income rose from GHS 100.9m in 2015 to GHS S135.4m in 2016 an increase of 34.1%. Net Premium income recorded an increase of 30% from GHS 66.3m in 2015 to GHS 86.1m in 2016.



We recorded a total premium of GHS 47.9m for new businesses in 2016 as compared to GHS 33.3m in 2015. This represented a 43.8% growth, an indication of increased sales and market penetration.



Claims went up by 16.8% from GHS 36.3m in 2015 to GHS 42.4m in 2016.

Underwriting profit grew significantly from GHS 0.84m in 2015 to GHS 11.1m in 2016. This was partly because we did not suffer any catastrophic loss as we did in 2015 when we had flooding in some parts of Accra.

Interest income for 2016 was GHS 11.3m as compared with GHS 11.2m in 2015, showing a marginal increase of 0.79%.

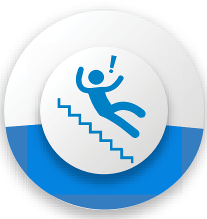
Profit before tax was GHS 25.8m in 2016 against GHS 12.9m in 2015 representing a growth of 99.3%. This was due to the impressive growth in our underwriting profit.

Enterprise Insurance Company Limited Report *(continued)*

16.5%
Gross Premium Growth
FIRE

36.5%
Gross Premium Growth
MOTOR

48.0%
Gross Premium Growth
MARINE



47.5%
Gross Premium Growth
GENERAL ACCIDENT

PERFORMANCE BY CLASS OF BUSINESS

Fire

Gross Premium for Fire saw a growth of 16.5% over the premium of 2015, from GHS 24.8m in 2015 to GHS 28.9m in 2016. The Fire Account contributed 21.3% to the total Gross Premium. This class of business made an underwriting loss of GHS 0.29m in 2016 compared to a loss of GHS 7.4m in 2015.

Motor

Motor continued to be the largest contributor to Gross Premium. The class of business grew from GHS 51.8m in 2015 to GHS 70.7m in 2016, a growth of 36.5%. The portfolio made an underwriting profit of GHS 14.7m in 2016 as against GHS 8.78m in 2015, showing a 67.4% growth. This was as result of an increase in new business production, favourable claims experience, as well as the upward review in Third Party Motor Insurance premiums.

Marine

Marine Cargo recorded a premium of GHS 3.7m in 2016, as against a GHS 2.5m in 2015. This represented a growth of 48.0%. It contributed 2.78% to our Gross Premium income. Marine made an underwriting profit of GHS 0.6m as compared to GHS 0.7m in 2015.

General Accident

The General Accident portfolio recorded a growth of 47.5% from GHS 21.7m in 2015 to GHS 32.0m in 2016. It contributed 22.92% to our total Gross Premium Income. An underwriting loss of GHS 2.1m was recorded as against an underwriting loss of GH¢1.16 recorded in 2015.

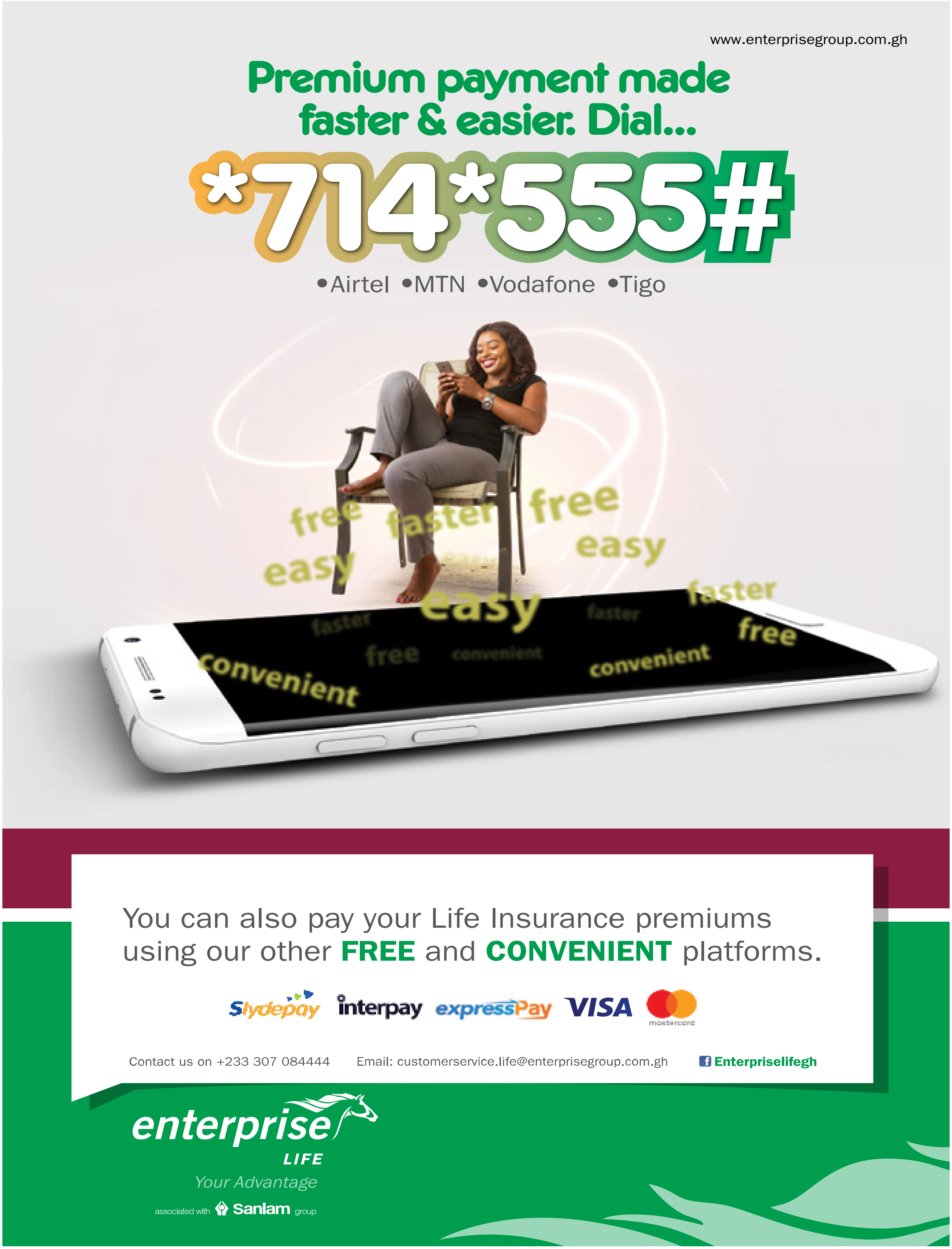
Appreciation

My appreciation goes to all our valued clients including all intermediaries whose businesses and feedback have enabled us to sustain our remarkable performances year after year, as well as our employees whose dedication and commitment to the goals and objectives of the company have enabled us to deliver on our promises.

I finally thank the Board of Directors for their support and guidance throughout the period.

Kwame Ofori

Executive Director, Enterprise Insurance



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Enterprise Life Assurance Company Limited Report

Customer Service Excellence was one of our key strategic objectives for 2016. In furtherance of this objective we upgraded, resourced and trained all our employees both frontline and back office to serve the customer better.

Jacqueline Benyi,
Executive Director, Enterprise Life

Introduction

The year 2016 was eventful with its attendant challenges. The Life Industry in 2016 is likely to record the lowest growth seen in the last five years as it had done only 16% above 2015 at the end of the third quarter.

The low growth of the Life industry is a reflection of the weak and subdued performance of the economy of Ghana which was eclipsed by the decline in prices of commodities, high government debt, erratic power supply with resultant effect on business, and by extension employees, and the sluggish growth in the world economy.

The Life Insurance Industry thrives on good disposable income of citizens so in periods of high inflationary pressures as experienced in 2016 the adverse impact is significant.

Our Performance

We experienced subdued growth in 2016 which reflected the performance of the Life industry. Despite our lower than planned growth, we remained the market leader of the Life insurance industry, a position we ascended to in 2015.

Enterprise Life Assurance Company Limited Report (continued)

We remained the leading Life insurance company in Ghana and the highest ranked insurance company on the Ghana Club ranking having attained the 22nd position. In terms of profit, we were the third most profitable business on the Ghana Club 100 for 2015.

Our strategy for the year was themed 'Quality! Make it Matter, Make it happen' and anchored on quality sales, entrenching of customer service excellence, innovation and greater efficiency which were all expected to lead to growth in revenues and profits.

Financial Results

Notwithstanding the weak economic environment, our financial focus for the year continued to be the creation of value for our policyholders and shareholders with a strong balance sheet as its fulcrum. Premium income saw growth above the average inflation for the year whiles investment income despite the poor performance of the Ghana Stock Exchange recorded good growth over prior year. The effect of erosion of the purchasing power of policyholders was manifested in the claims experience and lapses seen in the year. In addition to these we saw a number of policies reaching maturity in the year under review.

a. Net Premium Income

Total net premium generated for the year amounted to GHS 228.6m which was a 16.4% growth over prior year. Both Individual Life and Group business contributed their fair share to the growth. However we continue to see the Group business share of the total business gross premium grow in the right direction in line with our strategy.

Collection rate for premium was 78% which represents a 100bps improvement over prior year despite the challenging economic conditions which had direct impact on incomes of policyholders. The annual compound average growth rate over the 5 year period from 2012 is 31%. Operations in Gambia saw a growth of 10% which contributed 1.4% to the total Enterprise Life group net premium income.

b. Total Expenses:

Total operating expenses grew by 16.4% to GHS250.2m for 2016. Underlying operating expenses were increases in claims and benefits payment which grew by 25.9%. The increases in benefit payment was driven by encashment, surrenders and maturities. At the heart of the benefit payment was the difficult economic conditions which compelled policyholders to encash their policies. Management expenses also went up by 25.9%. This was due to higher than planned fuel and utility prices and general cost push pressures on goods and services. Initial operational cost of our Funeral Services business also contributed to the growth in management expenses recorded.

c. Investment Income

Investment income grew by 33.3% over 2015. The growth was on account of improved yields recorded on money market instruments and debt securities plus the additional cash invested in these financial instruments. Our equity holdings however experienced sharp declines due to the poor performance of the Ghana Stock Exchange (GSE) which recorded an overall negative growth of 15% in 2016.

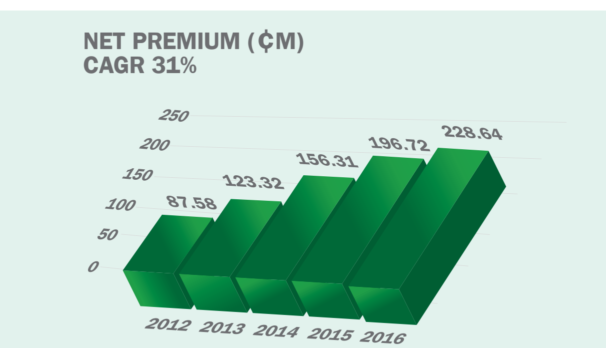
d. Operating Profit:

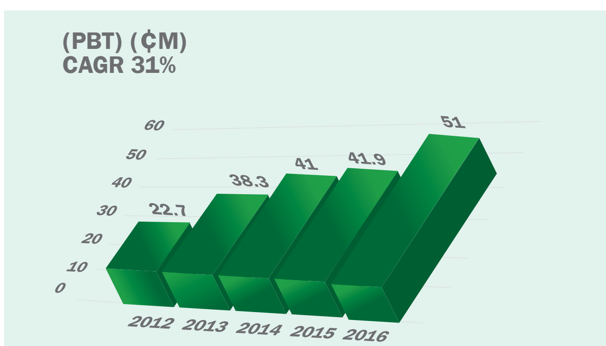
Despite the tough economic conditions under which the business operated in 2016, we managed to generate operating profit of GHS47.7m. This was driven by improvement in premium revenues and investment income.

Increases in claims payment, management expenses and actuarial liability provisions however impacted operating profit adversely.

e. Profit Before tax (PBT)

Profit before tax for the year was GHS 51.0m representing 25.3% growth over prior year.





Enterprise Life Assurance Company Limited Report *(continued)*

f. Total Assets

Our total assets grew by 24.9% to GHS484.3m on account of increases in the value of our short term investment due to returns on investments and the injection of additional funds. Investment properties held for policyholders also saw slight increases in value.

g. Net Cash Generated

Interest received from investing activities plus dividends received during the year from equity investments contributed to the net cash of GHS 53.9m generated in the year.

h. Value of New Business

The value of new business generated for 2016 amounted to GHS 28.9m this was against the background of the difficult operating environment which impacted business negatively.

i. Embedded Value

Despite the challenges encountered in 2016, we managed to grow our embedded value by 25.6% from GHS 270.2m in 2015 to GHS 339.3m in 2016. Underpinning the growth was a strong value in force growth of 25%.

Individual Life Distribution

The key thrust of our Individual Life strategy for 2016 was to generate quality business in response to our theme for the year 'Quality! Make it matter, Make it happen'. To drive the quality agenda, we introduced the identification system to validate cases sold.

Our individual Life operations comprising Agency, Broker and Bancassurance remains the bedrock of our business. In 2016, Individual Life contributed 88% of the gross premium revenues generated.

As part of our innovation drive, we launched two new Executive products to serve the high net worth segment of our market, and also to give us the product flexibility to play in all the relevant segments of the market, with products that meet consumer needs and serve their purpose. Our flagship products FFP, Educare and LTN were all relaunched with enhanced features to offer our clients enhanced benefits.

During the year we expanded our Agency channel with five new teams and also extended our footprints in the Broker channel with the appointment of Broker Unit Managers to key brokerage firms. We also signed agency contracts with the relevant agencies to strengthen our partnership and increase the level of accountability.

Group Life Operations

The year 2016 was a very good year for our Group business. Its contributions in terms of gross premium increased from 10% in 2015 to 12%. This is in line with our long term strategy to grow the Group business to an appreciable level through innovations and deeper partnership with our group stakeholders. Credit Life remains the largest contributor to the Group segment, however we have plans to grow other segments of the market in order to increase the overall Group share of our gross premium.

Customer Service Excellence

Customer Service Excellence was one of our key strategic objectives for 2016. In furtherance of this objective we upgraded, resourced and trained all our employees both frontline and back office to serve the customer better. A new customer Complaints Management System was introduced to help track and manage customer complaints in a systematic manner with the Net Promoter Score system used as one of the tools to monitor performance of our key touch points.

Our quest to serve our customers better was demonstrated with the launch of the Advantage Card, a card used to pay benefits to clients as well as give opportunity to them to buy from selected shops at discounts. In addition, we introduced the point of sale terminals and other e-payment platforms as alternative sources of premium payment to make it more convenient and flexible for our customers.

Enterprise Life Assurance Company Limited Report (continued)

We had our first Customer Focus group forum which gave selected customers the opportunity to open up to senior management on issues and concerns they have which requires redress from management. We also celebrated our Customer Service Week which offered the company the platform to interact and also to show appreciation to our clients for their business over the years. These celebrations will be made an annual affair. The customer will continue to be the pivot of our operations and we will strive to provide them excellent service.

Subsidiaries

Our Gambia operations remains the leading Life insurer in their market. Its net premium grew by 7.2% in the light of economic challenges faced in 2016 in that country.

Enterprise Funeral Services (Transitions) started test operations in December. We expect full operations to in quarter one of 2017.

Human Resource

Our people remain the most critical component of the business hence our primary objective to develop, motivate, retain and hold them accountable to deliver our long term strategy. In 2016 as part of leadership development, we signed five of our key talents on the Enterprise Group High Performance Leadership Programme as a means of developing future leaders. Two senior managers were also signed on the Sanlam Emerging Markets Leadership Development Programme run in partnership with the University Stellenbosch of South Africa, to help build their leadership capabilities to support the business growth agenda.

We continued our technical capacity building efforts with our strategic partners Hanover Re. and Sanlam to ensure we have the right skill set for business sustainability.

Looking Forward to 2017

We remain positive about the operating environment improving in 2017. Our strategy for 2017 is premised on the aspiration of 'journeying together to sustain dominance of the Life industry'. Our focus will continue to have customer service excellence at the centre with the deployment of the right technology to improve efficiencies through relevant innovations as a propeller to deliver value to both our policyholders and shareholders.

Jacqueline Benyi,

Executive Director, Enterprise Life

Enterprise Trustees Limited Report

We will continue to work hard with all our stakeholders in pursuing the strategic thrust of the company and to introduce innovative products and services to ensure that our clients experience superior service delivery.

Joseph Ampofo
General Manager, Enterprise Trustees

Introduction

The year 2016 started off with admission of Enterprise Trustees as the first and only corporate Trustee in the Ghana club 100, 2016 edition. We braced through the two significant crises (economy and energy) which affected most businesses during greater part of the year.

The unfavourable macroeconomic indicators of 2016 which reflected in low GDP growth and high borrowing rate led to a contracted economy and implementation of fiscal austerity measures from IMF. These high borrowing rate made workers turn to their Tier 3 funds as an alternative to meeting short term needs.

The energy crisis which extended well into 2016 had its toll on businesses resulting in reduced man hours for wage earners with a corresponding drop in pension contributions. Salaried workers were not exempted as we witnessed decrease in general staff numbers.

Inspite of these challenges, Enterprise Trustees posted impressive results triggered by good top lure growth and efficiency in cost.

Enterprise Trustees Limited Report *(continued)*

Strategic Objectives

Enterprise Trustees continued its strategic thrust which revolved around service, people and growth.

During the year we focused on technology to deepen our member communication initiative. SMS updates and summary statements via email were added as part of increasing the service experience. Training our people was top on the agenda. Most benefited from extensive training sessions within and outside the country as part of capacity building and ensuring best practices are continuously incorporated. The business likewise continued its growth agenda with continuously and conscious monitoring of the growth drivers. The new business targets were exceeded however the value of benefit payment obviously was a challenge as the worsening economic conditions precipitated withdrawals.

Regulatory Environment

2016 saw the resolution to the impasse between government and the registered public sector schemes. Four public sector schemes, with representation from both government and Unions, were duly registered by the Regulator as Trustees on their Schemes.

The National Pensions Regulatory Authority (NPRA) during the year opened a second Zonal office in Tamale in their quest and effort to decentralize its activities to create awareness and bring pensions administration closer to workers and its stakeholders. The office is expected to take care of the three northern regions; Northern, Upper East and Upper West Regions

The Authority furthermore initiated the process of reviewing investment of pension funds with the commissioning of a Working Group to review its current Investment Guideline.

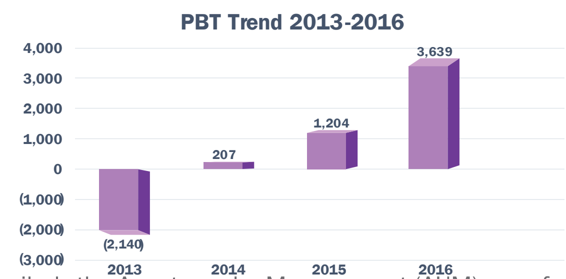
During the year NPRA issued several directives and guidelines; key ones including:

- Changing of shareholding structure without first recourse to the Regulator.
- Composition of Board of Trustees of Registered Pension Schemes.
- Ending the use of Power of Attorney within the industry.
- Increasing the per issuer limit of the PBC Limited's one year Fixed Rate Callable Note from 5% to 10% under the category of eligible bonds. The increase was to allow the pension funds to start impacting on the development of the country.

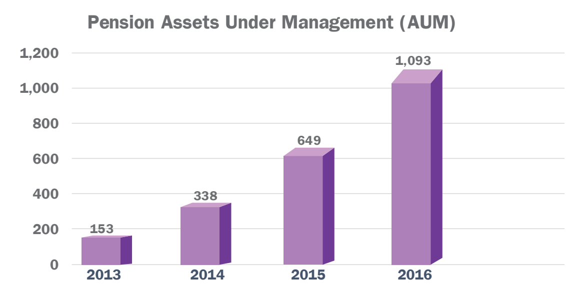
The Regulator continued to reiterate its readiness to impose sanctions for non-compliance.

Financial performance

The company delivered good financial performance in a difficult and competitive operating environment in 2016. The Profit Before Tax (PBT) was GHS3.639 million representing 203% growth over the 2015 figure of GHS 1.204 million. This performance was as a result of improvement in fee income and controlling cost growth over the period. Fee income grew 82% over 2015 amount of GHS4.46 million to GHS8.13 million. Total operating cost was GHS5.5 million representing growth rate of 34% over the 2015 amount of GHS4.1million. The PBT trend from 2013 to date is depicted in the graph below:



Similarly the Assets under Management (AUM) grew from GHS 649 million in 2015 to GHS 1.093 billion in 2016 representing 68.41% growth over the 2015 amount. The trend from 2013 to 2016 is shown in the graph below:



Claim payout which impact adversely on AUM was higher especially regarding non-retirement claim due to the difficult economic environment experienced during the year. Total claim paid in 2016 was GHS41.34 million.

Outlook 2017

We will continue to work hard with all our stakeholders in pursuing the strategic thrust of the company and to introduce innovative products and services to ensure that our clients experience superior service delivery. This is a necessary condition for consolidating market leadership.

Joseph Ampofo
General Manager, Enterprise Trustees

Enterprise Properties Limited Report

As we restrategize for the medium term, we wish to reemphasize our commitment to the maximization of our portfolio in the Group through the creation of quality investible real estate assets as well as delivery of excellent property asset management services

Philip Godson-Amamoo
General Manager, Enterprise Properties

Industry Analysis

In 2016 the general economic growth rate in Ghana slowed down compared to the earlier years of the 2000s. Nonetheless, the demand for commercial and private properties has been increasing steadily, creating new market opportunities for many albeit not in all real estate sectors. Examples are increase in the demand for shopping malls and other commercial real estate assets such as mixed-used complexes to cater for the growing economy especially the growing middle income class.

There has been a steady decline in the rentals of high-end residential real estate space even though there is evidence of continual construction of high residential properties, which we believe has been financed by capital flows that may be predicating an upturn in this space; an assumption that EPL doesn't support. This has led to a general stagnation in yields within this sub sector of the real estate sector. As a sector for growth, EPL forecast that the viable route will be developing homes for the middle to low income demographics of the country. This will aid solve a need and additional yield the returns expected.

Enterprise Properties Limited Report *(continued)*

The trend for most foreign real estate investors remains investing in completed assets as against taking the construction risk. Yields have been stable generally though ranging between 5-10% on most residential properties and 15-20% in the office space sector. There are still opportunities for the investor willing to take a long term approach to the sector targeting the developments designed for the middle class and low/ affordable homes, providing quality developments within structured financing.

The major risks for the sector include currency fluctuations, high levels of inflation and high rates of interest that continue to dampen lending activities. Notwithstanding these adverse macro-economic factors, Economic growth is an obvious upside for the sector according to Oxford Business Group. In its April 2015 World Economic Outlook, the IMF forecast that Ghana's economy would grow by 3.5% in 2016, which is slow by recent standards, but it should pick up to 6.4% in 2017, 9.2% in 2018 and 6.9% in 2019. PwC expects another 1.6m households to join the middle class by 2025, which would constitute growth second only to Nigeria in the continent. Real estate in Ghana is set to offer long-term rewards for patient investors based on sustained demand in middle-income housing and commercial retail real estate developments which should offer opportunities for local and international investors, developers and buyers.

Business Analysis

We commenced our largest investment to date in December 2013– the construction of a 14-floor office complex in Ridge, Accra and had planned to complete in June 2016. However, we have had to extend our construction timelines to April 2017 due largely to client changes and some delays in the procurement of some offshore fittings for the Project. As at the end of December 2016, the Project was 95% complete. Our website, http://www.advantageplace.com provides a link to view the project.

We have also completed the first phase of our funeral home complex, Enterprise Funeral Services Ghana, consisting of a mortuary, open terrace for family gatherings and administrative offices in Haatso, a suburb of Accra. We expect to complete phase two of the project by end of April 2017, that is, the construction of a church building to augment the bouquet of services offered by the funeral home.

Our property management services for the real estate portfolio remain a crucial objective and over the year 2016, we were at the forefront of commercial appraisals, lease negotiations, property acquisitions, land title acquisitions, refurbishment and renovations and standardization of office space.

Operationally we have focused on 4 main areas

- Cost reduction agenda which has generated 26% in budgeted savings including better allocation and transparency in property management running costs
- An agenda in creating smart spaces across the Group to maximize spatial usage
- A focus on increasing occupancy levels at Advantage Place
- Moving our property management service within the Group to a higher gear with introduction of appropriate technology.

Financial Analysis

Total Revenue for the year was GHC2.3M indicating 34% growth in revenues. This was minus the effect of property revaluations. Fair value gains reduced by 91% as a result of reclassifications

Move-outs from Enterprise House of about 15% impacted on our revenue streams in the second half of 2016. The company hopes that future move-outs will be mitigated due to internal procedures put in place to address occupancy voids.

The company's cash reserves at the period end were GHC3.3M and all bank facilities were operating within covenants as at December end 2016. Our costs grew by 4% over 2015 from GHC2.16M to GHC2.24M and the company's management remains confident that it has the flexibility to continue to aggressively manage EPL's financial cost position within budgetary limits.

Outlook

I am very positive about our growth potential in the coming years. We start from a solid base of a portfolio of lands in prime areas across the country coupled with a realignment of our strategic direction and fit within the Group and reaffirm our mandate of developing quality investible assets going into 2017 and beyond.

I am sure that all of these factors will support Enterprise Properties Limited and consolidate the Group as one of the leaders of the non-bank financial sector.

Philip Godson-Amamoo

General Manager, Enterprise Properties

Introduction

The Board of Directors of Enterprise Group Limited recognises that high standards of Corporate Governance practices within the Group is essential for the delivery of the Company's long term goals. The principles of accountability, transparency, fairness and responsibility in the Group's operations are the pillars of good governance implemented to ensure the Group's long term sustainability and prosperity to its stakeholders.

The Board believes that its Corporate Governance structure and practices should be an example of sound practice for an organisation of its type and, as far as possible, for corporations generally. As indicated in the Statement of Directors' Responsibilities and Notes to the Financial Statements, the Group adopts standard internationally recognised accounting practices and maintains sound internal controls to ensure the reliability of the Financial Statements.

The Boards of Directors

The Boards of Directors of the Group and its subsidiary companies together with the Management team are collectively responsible for instilling best Corporate Governance principles into the businesses and securing the lasting success of the Group. The Directors bring to the Board the appropriate mix of skills, knowledge and experience from various industries and backgrounds.

Members of the Board currently comprises of six Non-Executive Directors (one of whom is the Chairman), the Group Chief Executive Officer and two other Executive Officers. The Members have the relevant skills and experience required to perform their roles. The Chairman is responsible for leadership of the Board and ensuring that appropriate conditions are created to enable the Board effectively provide entrepreneurial leadership to the Company.

There are at least four Board meetings each year to review performance of the business, provide clear strategic direction and ensure the achievement of agreed goals. Members of Senior Management attend Board meetings by invitation and provide the needed interaction with the Board Directors.

The Board has delegated responsibility for management of the Group to the Chief Executive Officer and his Executive team. The Chief Executive Officer has the responsibility of implementing the Group's strategy and policies directed by the Board. In executing his duties, the Chief Executive Officer is assisted by the Chief Financial Officer, Chief Operations Officer and the Company Secretary who together are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

The Board has delegated some of its responsibilities to Committees of the Board namely; the Audit Committee, the Human Resources Committee and the Strategy and Investments Committee. At each meeting, the Board reviews reports from each Committee on their current activities.

Audit Committee

The Audit Committee's mandate is to review and report to the main Board on the compliance, integrity and major judgemental aspects of the Company's published Financial Statements. It also reviews the scope and quality of external audits as well as the adequacy of internal controls and risk management, to eliminate the risk of failure to the Company's business objectives.

The members of the Committee during the year were:

Martin Eson-Benjamin	- Chairman
Trevor Trefgarne	- Member
Keli Gadzekpo	- Member

The Committee met four times during 2016.

Corporate Governance Statement *(continued)*

Human Resources Committee

The Human Resource Committee assists the Board in fulfilling its responsibilities with respect to human resources matters for the Group. It determines Executive and Board remuneration after appropriate surveys, and reviews performance contracts annually. In addition, it is responsible for reviewing the Group Human Resources Policy to ensure that its implementation is in line with its stated objectives.

The members of the Committee during the year were:

Gloria Akuffo	- Chairperson
Keli Gadzekpo	- Member
Trevor Trefgarne	- Member
George Otoo	- Member
Emmanuel Idun	- Member
Margaret Dawes	- Member

The Committee met four times during 2016

Strategy & Investment Committee

The Strategy & Investments Committee provides strategic direction for the attainment of the Group's corporate vision and objectives through growth and development. It also identifies and prioritises investment opportunities to deliver the Group's targets.

The members of the Committee during the year were:

Keli Gadzekpo	- Chairman
Trevor Trefgarne	- Member
Emmanuel Idun	- Member
Cleland Cofie Bruce Jnr.	- Member

The Committee met four times during 2016.

The Group's Subsidiaries

The Group has four operating subsidiaries, namely:

- Enterprise Insurance Company Limited
- Enterprise Life Assurance Company Limited
- Enterprise Trustees Limited and
- Enterprise Properties Limited

Each of these companies has its own Board of Directors which formally meets at least four times a year.

The roles of the Chairmen and the Chief Executive Officer in the subsidiaries are distinct and do not vest in the same person, with each Chairman being a Non-Executive Director.

To ensure effective control and monitoring of the businesses Enterprise Life and Enterprise Insurance, have two committees: the Audit Committee and the Strategy & Operations Committee. Matters pertaining to risks the companies face and measures to mitigate those risks are tabled before the Strategy and Operations Committee.

Enterprise Life also has an Investment Committee. The heads of the four subsidiary companies attend meetings of the Human Resources Committee.

Enterprise Funeral Services, trading under the name of 'Transitions' is a subsidiary of Enterprise Life started operations during the year.

Corporate Social Responsibility

At Enterprise Group, we believe in living our values and influencing positively our communities, particularly the ones in which we operate and this reflects greatly in the Group's choices with regards to corporate social initiatives. Giving back to society and stakeholders at large, continues to be paramount in the strategic agenda of Enterprise Group and gives credence to the reason for being, which is to give an "advantage in life".

Being a market leader, the Group believes in leading the way and setting the trend with regards to engagements with stakeholders. Over the period, the Group and its subsidiaries have focused on Corporate Social Initiatives in the area of health and education, to reach out to communities and to impact these sectors of the Ghanaian economy. We hold the view, that for every economy to thrive, there is the need for a healthy population, who are well educated. The rationale is therefore, to focus on sustainability projects that imprint in the minds of stakeholders and which is beneficial for this generation and beyond.

In 2016, Enterprise Group delivered on a number of major initiatives in the area of education, with the aim of creating the right infrastructure required to facilitate learning in schools in Ghana. It is noteworthy that such key projects were delivered across the regions in Ghana. Notable among them were the following:

- The completion and commissioning of a multi-purpose building worth Four Hundred and Eighty-Five Thousand (GH¢485,000.00) Ghana Cedis for the SOS village at Asokore Mampong in the Ashanti Region. This edifice, which is named the " Advantage Hall" was a project championed by Enterprise Life in partnership with Enterprise Group and Sanlam Group in South Africa. It was named the "Advantage Hall" because it will give to the children at the SOS village an advantage to a better life, realize their dreams and impact their world.

- Enterprise Life also partnered with the Multi-media Group to construct a library in Wa, in the Upper West region to serve the community. The library is well stocked with books to inculcate the habit of reading among school children. This, we believe will in-turn add value to the lives of children within the community.

- Enterprise Group over the past years, have been offering support to three brilliant but needy girls in tertiary education and this year was no exception. This is being done in partnership with Zawadi Africa Foundation. The girls, who are known as Enterprise Scholars, were offered internships during the long vacation to enable them acquire working experience in the corporate environment.
- Support was given to some second- cycle and tertiary institutions as well as some foundations in the Greater Accra, Eastern, Central and Ashanti regions to renovate school infrastructure and also organise symposia to educate the public on social and economic concerns. These included Tema International School, University of Cape Coast and Sankofa Foundation.

The focus on health related projects also featured prominently in the planned initiatives for the year. Significant contribution was made to the health sector. Highlights were as follows:

- The purchase of an equipment known as the vein illuminator for the Paediatric Oncology Unit at the Korle-Bu Teaching Hospital. This equipment facilitates the treatment of children diagnosed with cancer and brings comfort to them.
- Partnering with Operation Smile, an International Organisation to undertake surgeries for children with cleft lips and palates at the Tamale Teaching Hospital. This transformational surgery brings joy and hope to the under-privileged with such conditions.
- Contributing to the construction of the Mother's Wing at the Legon Hospital in Accra.
- Provision of sanitary items to the children's ward at the Accra Psychiatric Hospital.

Our staff have always been a part of the corporate social responsibility agenda. As part of the Group's well being programme to promote healthy lifestyles amongst staff, we engaged in a health walk and aerobics during the year. Based on the theme, "Enterprise Walks" all employees across the various subsidiaries undertook a walk across the Accra metropolis. During which we engaged with the public and shared information about our products.
Engaging in corporate social initiatives is our contribution to the society and our aim is to make a difference in lives of all who come into contact with us.

In the coming year, we plan to deepen our impact on the Ghanaian economy through our activities. We aim at getting employees more involved in the initiatives through employee volunteerism.

Enterprise Group desires growth for its business, but we know that our competitive survival and long-term success can be achieved if we are able to add value to the communities in which we operate. Our brand promise therefore remain resolute, as we strive to make strides in giving "an advantage" to all our stakeholders.

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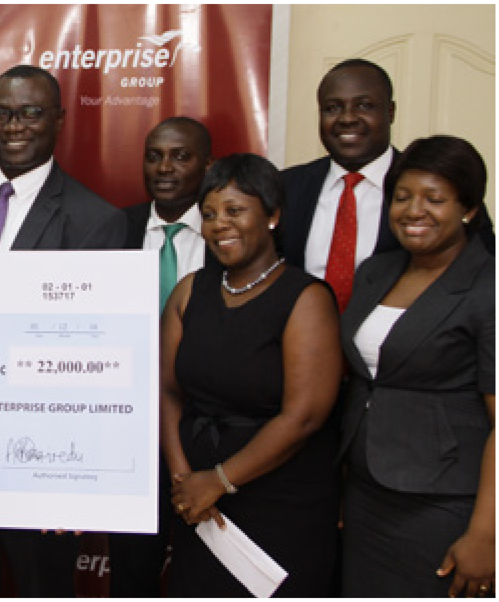

1 Social Centre (The Advantage Hall) at the SOS Children's Village Asokore Mampong, Ashanti Region.

2 Mrs. Benyi - Executive Director, Enterprise Life, speaking at the commissioning of the Advantage Hall.

3 Donation at the Accra Psychiatric Hospital.

4 Cross section of invited guest and school children at the commissioning of the WA community Library in partnership with the Joy FM.

5 Donation to the Oncology Unit at the Korle-bu Teaching Hospital.

Report of the Directors to the Members of Enterprise Group Limited

The Directors present their report to the members together with the Audited Financial Statements for the year ended 31 December 2016 in accordance with the Companies Act, 1963 (Act 179) which discloses the state of affairs of Enterprise Group Limited (the "Company") and its subsidiaries (together the "Group").

Directors' Responsibility Statement

The Directors are responsible for the preparation of Consolidated and Separate Financial Statements that give a true and fair view of Enterprise Group Limited, comprising the Statements of Financial position at 31 December 2016, and the Income Statements and Statements of Comprehensive Income, changes in Equity and Cash Flows for the year then ended, and the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and are in the manner required by the Companies Act, 1963 (Act179). In preparing these Financial Statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent. In addition, the Directors are responsible for the preparation of the Directors' report.

The Directors are also responsible for 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company and its Subsidiaries ('the Group') to continue as going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

The Auditor is responsible for reporting on whether the Consolidated and Separate Financial Statements give a true and fair view in accordance with the applicable financial reporting framework.

Five year financial highlights

The five year financial highlights are shown on page 3

Results and dividend

The results for the year are summarised as follows:

	The Company GH¢'000	The Group GH¢'000
Profit for the year before tax of	20,573	75,765
From which is deducted an income tax expense and national Fiscal stabilisation levy of	(4,459)	(7,764)
giving a profit for the year of	16,114	68,001
from which is made a transfer to non-controlling interest of	-	(33,562)
and contingency reserves of	-	(6,316)
giving a profit for the year attributable to owners of the Company of	16,114	28,123
to which is added balance on the income surplus account brought forward of	84,704	150,831
giving a total of	100,818	178,954
out of which is deducted a final dividend paid for 2015 of	(6,691)	(6,691)
leaving a surplus carried forward on income surplus account of	94,127	172,263

The Directors do not recommend the payment of dividend for the year.

Report of the Directors to the Members of Enterprise Group Limited *(continued)*

Nature of Business

The principal activities of the Company and its Subsidiaries continued to be undertaking the business of investments, life and non life insurance underwriting, pension funds management, provision of funeral services and real estate development and management.

Objectives of the Company

The Company exists to provide all who come into contact with us their desired advantage because we are the best at what we do.

Subsidiaries

The Company directly and indirectly owns the following subsidiaries:

- Enterprise Insurance Company Limited, a company incorporated in Ghana to engage in the underwriting non life insurance policies, is 60% owned by Enterprise Group Limited.
- Enterprise Life Assurance Company Limited, a company incorporated in Ghana to engage in underwriting life insurance policies, is 51% owned by Enterprise Group Limited.
- Enterprise Trustees Limited, a company incorporated in Ghana to engage in pension funds management, is 60% owned by Enterprise Group Limited.
- Enterprise Properties Limited, a company incorporated in Ghana to engage in real estate development and management, is 100% owned by Enterprise Group Limited.
- Enterprise Life Assurance (Gambia) Limited, a company incorporated in The Gambia to engage in underwriting life insurance policies is 75% owned by Enterprise Life Assurance Company Limited Ghana.
- Enterprise Funeral Services Ghana Limited, a company incorporated in Ghana to engage in the provision of funeral services is 100% owned by Enterprise Life Assurance Company Limited Ghana.
- Seventh Avenue Properties Limited, a company incorporated in Ghana to engage in real estate development and management, is 100% owned by Enterprise Properties Limited.

Related Party Transactions

Information regarding Directors' interest in the ordinary shares of the Company is disclosed on page 101 and their remuneration is disclosed in note 31 to the Financial Statements. No Director had a material interest in any contract to which any Group company was a party during the year.

Other than disclosures given in note 27 to the Financial Statements, there were no transactions or proposed transactions that were material to either the Company or its subsidiaries. Nor were there any transactions with any related party that were unusual in their nature or conditions.

Auditor

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of external auditor. KPMG has been the Auditor of the Company and its subsidiaries from June 2016. KPMG does not provide non audit services to the Group.

Board of Directors

Executive Directors	Qualification	Outside Board and Management position
Keli Gadzekpo	B.Sc Acc. , CPA, MA Public Admin	Ventures and Acquisition Limited; Family Ventures and Offices Ltd; Databank Asset Management; Ecolodge Mole Operating Company; Quest Medical Diagnostics Limited; Enterprise Properties Limited; Enterprise Life Assurance Company Limited; Enterprise Trustees Limited; Enterprise Funeral Services Limited; Seventh Avenue Properties Limited; One Point Payments Limited; Databank Financial Services; Women's World Banking GH. Savings and Loans Company Limited; Databank Epack Investment Fund Limited; Structures Capital Limited; Enterprise Insurance Company Limited.

Report of the Directors to the Members of Enterprise Group Limited *(continued)*

Board of Directors *(continued)*

Executive Directors	Qualification	Outside Board and Management position
Cleland Cofie Bruce Jnr	ACII, FIIG, MA (Leading Change)	Enterprise Funeral Services Limited; Quest Medical Diagnostics; Intel Opera Limited; HSB Ghana Limited; Enterprise Trustees Limited.
Daniel Larbi-Tieku	B.Sc. Accounting, FCCA, MSc Finance	Quest Medical Diagnostics; Randace Company Limited.

Non-Executive	Qualification	Outside Board and Management position
Trevor Trefgarne	Graduate of Cranfield School of Management	Franklin Templeton Investment Funds SICAV; Enterprise Life Assurance Company Limited; Enterprise Insurance Company Limited; Enterprise Properties Limited.
Martin Eson-Benjamin	B.Sc Admin, UG	Ecobank Ghana Limited; CFAO Limited; College of Health Sciences; Enterprise Insurance Company Limited; Enterprise Properties Limited.
H.E (Mrs) Margaret Clarke-Kwesie	BSc. Home Economics, MSc Regional Development Planning, Post-Graduate Diploma in Agriculture Economics	N/A
Prof. Angela Ofori-Atta	BSc, MA, PhD: Psychology	Databank Financial Services; Databank Group; Alpha Ghana; Databank Asset Management Services Limited; Enterprise Insurance Company Limited.
George Otoo	MBA Insurance Management (UK), Diploma WAII Insurance Liberia, Associate ACII (UK)	Mainstream Reinsurance Company Limited; Databank EPack Investment Fund; Seventh Avenue Properties Limited; Enterprise Properties Limited; Ayoka Enterprises Limited.
Fiifi Kwakye	B.Sc. Accounting, MSc. Finance & Accounting, ICA Ghana, CIT Ghana	Afina Asset Management Company Limited; Afina Advisory Partners Limted; Phlox Services Limited; ACA development Limited; Enterprise Trustees Limited; Enterprise Life Assurance Company Limited; Seddis Investments Services Limited; CIG Microfinance Ghana Limited.

Non-Executive Directors

Age category	Number of directors
Up to - 40 years	0
41- 60 years	4
Above 60 years	5

Role of the Board

The Directors are responsible for the long term success of the Group, determining the strategic direction of the Group and reviewing operating, financial and risk performance. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group's annual Business Plan, the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, the Financial Statements, the company dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Group, and the scope of delegations to Board Committees, subsidiary boards and the Executive committee.

Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and an Executive committee of, which as at the date of this report includes the Executive Directors and nine Senior Managers.

Report of the Directors to the Members of Enterprise Group Limited *(continued)*

Internal Control Systems
The Directors have overall responsibility for the Group's Internal Control systems including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the Risk Management and Internal Control systems are the responsibility of the Executive Directors and Management. The systems are designed to identify weaknesses and failures in control and recommend and implement collective solutions. As at the reporting date, there were no significant failings or weaknesses in the Internal Controls systems.

Professional development and training
On appointment to the Board, Directors are provided with a full, tailored programme of induction to formalize them with the Group's businesses, the risks and strategic challenges the Group faces, and the economic, competitive, legal and regulatory environment in which the Group operates. A programme of strategic and other reviews ensures that the Directors continually update their knowledge and familiarity with the Group's businesses and their awareness of relevant developments to enable them to effectively fulfil their role.

Conflict of Interest
The Group has established appropriate conflict authorization procedures whereby actual or potential conflicts are disclosed and appropriate authorisations sought.

Board balance and independence
The composition of the Board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers that the Chairman is independent and all non Executive Directors are independent as it pertains to the management of the company. The continuing independent and objective judgement of the non-Executive Directors has been confirmed by the Board of Directors.

Corporate Responsibilities and Compliance
Enterprise Group recognizes the importance of impacting positively on the lives of people within the communities in which it operates through corporate social and environmental activities. Our investments in communities, human development and well being are investments in the long term success of the Group. This is because we believe that we can influence society and contribute to the sustainability of the Ghanaian economy which reflects our commitment of providing an "advantage" to all who come into contact with us. Our preferred approach delivers mutual benefit and goodwill amongst all stakeholders.

The Impact on the Company's Sustainability

- Projects a positive image and visibility of our brand
- Builds emotional attachment to our brand by clients and the Ghanaian Community
- Establishes the brand as one that fulfils its organizational obligations towards society.
- Provides for humanity and the environment, and ensures the business' survival.

There is a Code of Ethics that all employees within the Group and its subsidiaries are required to comply with it.

Details of the Code of Ethics are enshrined in the Group's Employee Handbook. Every employee within the Group is provided with a copy of the Handbook on joining. New hires are educated on the Code during their orientation.
In addition to the Code there is a document known as the "Standards of Behaviour" which further explains the practises the Group expects of all staff in the course of doing business.

Approval of the Consolidated and Separate Financial Statements
The Consolidated and Separate Financial Statements of Enterprise Group, as identified in the first paragraph, were approved by the Board of Directors on 30 March, 2017 and signed on their behalf by

Keli Gadzekpo	Martin Eson-Benjamin
Group Chief Executive Officer	*Director*

Independent Auditor Report to the Members of Enterprise Group Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Enterprise Group Limited ("the Group"), which comprise the statements of financial position at 31 December 2016, and the income statements, statements of comprehensive income, changes in equity and cash flows 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 41 to 100.

In our opinion, these financial statements give a true and fair view of the consolidated and separate financial position of Enterprise Group Limited at 31 December 2016, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated and separate financial statements of the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2016.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Insurance contract liability
Refer to Note 19 and 21 to the consolidated and separate financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group's insurance contract liabilities comprise the 'life fund' and 'incurred but not reported' (IBNR) provision. At 31 December 2016, the life fund and IBNR provision amounted to GH¢ 338 million and GH¢ 3.9 million respectively. These make up 69% of the Group's liabilities.

The valuation of insurance contract liabilities is a key judgmental area due to the level of subjectivity inherent in the estimation of the effect of uncertain or unknown future events and the resulting potential exposure to large losses. The calculation of the liabilities is complex and requires the use of actuarial techniques to estimate the reserve for life fund and claims IBNR.

The Directors set the claims outstanding reserves at a level that they consider includes an appropriate margin over the actuarial best estimate, in order to take account of current uncertainties around factors that may influence the value of reserves.</td><td>Our audit procedures included, among others
• Tested controls over the actuarial reserving process and the data used to perform the actuarial projections to determine the reserve for life fund and IBNR;
• Challenged the methodology and key assumptions applied in actuarial projections by assessing their appropriateness based on our cumulative industry knowledge, the Group's historical claims experience and consistency with prior periods;
• Used our actuarial specialists to support us in the evaluation of insurance liabilities and to challenge the methodology and assumptions made by the Group in calculating the liabilities;
• Evaluated the quality of prior year's estimates by assessing the outcome of prior period's liabilities; and
• Evaluated the adequacy of the Group's disclosures about the degree of estimation and the sensitivity of recognised amounts to changes in assumptions, and assessed whether the disclosures comply with relevant accounting standards.</td></tr>
</table>

<table>
<tr><td colspan="2">Revenue recognition
Refer to Notes 20, 28 and 35 to the consolidated and separate financial statements</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The main streams of revenue for the Group include insurance premiums and investment income. The net insurance premium revenue was GH¢ 308 million at 31 December 2016. Investment income included interest on unlisted debt securities which was GH¢ 82 million as at the reporting date.

The judgement involved in the recognition of insurance premiums and the deferring of unearned premium as well as the size of the investment portfolio and valuations, makes revenue recognition a key focus within our audit</td><td>In this area, our audit procedures included, among others:
• Tested the Group's key controls over the recognition of insurance premium and investment income;
• Assessed whether the data for insurance premiums received for life insurance included all the relevant information through testing a sample of relevant data fields and their aggregate amounts against data in the source systems;
• Agreed premium administration data to the general ledger for the non-life insurance business;
• Used KPMG Computer Assisted Audit Techniques to assess month-on-month and year-on-year trend of insurance premiums and investment income;
• Evaluated the unearned insurance premiums and performed testing to ensure that they have been recorded and reported in the appropriate financial reporting period;
• For unquoted debt securities financial investments, we tested the valuation model used by the Directors by comparing the assumptions to external industry data to challenge their appropriateness; and
• Evaluated the adequacy of the Group's disclosures on revenue recognition in the financial statements in accordance with the applicable financial reporting framework.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 1963 (Act 179) but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 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.

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

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)

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

In our opinion, proper books of account have been kept, and the consolidated and separate statements of financial position and income statements and the statements of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Nathaniel Harlley (ICAG/P/1056).**

Kpmg

For and behalf of:
KPMG: (ICAG/F/2017/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
ACCRA
30 March 2017

Statements of Financial Position

(All amounts are in thousands of Ghana cedis)

		The Company As at 31 December		The Group As at 31 December	
	Note	**2016**	2015	**2016**	2015
ASSETS					
Property and equipment	5	**829**	897	**37,491**	29,456
Intangible assets	6	**-**	-	**667**	302
Investment properties	7	**-**	-	**176,237**	130,993
Investments in subsidiaries	8	**30,562**	30,562	**-**	-
Deferred tax assets	24	**201**	2,697	**2,597**	3,906
Investment securities	9	**2,017**	16,496	**443,728**	367,117
Inventories	26	**-**	-	**260**	-
Loans and receivables	10	**501**	14	**22,739**	15,284
Deferred acquisition costs	11	**-**	-	**6,012**	-
Due from re insurers	12	**-**	-	**21,266**	28,717
Due from related parties	27	**66,052**	59,232	**-**	-
Current tax assets	33	**-**	-	**137**	230
Cash and bank balances	13	**37,833**	15,151	**100,951**	57,445
Total assets		**137,995**	125,049	**812,085**	633,450
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	14	**37,268**	35,920	**37,268**	35,920
Contingency reserve	15	**-**	-	**25,146**	18,830
Currency translation reserve	16	**-**	-	**818**	810
Share option reserve	18, 41	**352**	518	**352**	518
Retained earnings account	17	**94,127**	84,704	**172,263**	150,831
Non controlling interest	8	**-**	-	**82,327**	69,228
Total equity		**131,747**	121,142	**318,174**	276,137
Liabilities					
Deferred tax liabilities	24	**-**	-	**2,535**	11,606
Life fund – insurance contract liabilities	19	**-**	-	**338,167**	264,557
Unearned premiums and unexpired risk provision	20	**-**	-	**31,300**	24,560
Outstanding claims	21	**-**	-	**7,235**	4,181
Loans and borrowings	25	**-**	-	**40,425**	-
Trade and other payables	22	**3,373**	2,902	**50,102**	32,156
Deferred commission income	23	**-**	-	**3,263**	-
Due to re insurers	12	**-**	-	**13,901**	13,073
Due to related parties	27	**50**	-	**820**	5,901
Current tax liabilities	33	**2,825**	1,005	**6,163**	1,279
Total liabilities		**6,248**	3,907	**493,911**	357,313
Total equity and liabilities		**137,995**	125,049	**812,085**	633,450

The notes on pages 48 to 100 are an integral part of these financial statements.

The financial statements on pages 41 to 100 were approved for issue by the board of directors on 30 March 2017 and signed on its behalf by:

Keli Gadzekpo
Group Chief Executive Officer

Martin Eson-Benjamin
Director

Income Statements

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
		For the year ended 31 December			
	Note	**2016**	2015	**2016**	2015
Investment income	28	**25,075**	13,091	**81,259**	64,299
Fair value gains on investment properties	7	**-**	-	**4,363**	10,687
Net investment income		**25,075**	13,091	**85,622**	74,986
Gross insurance premium revenue		**-**	-	**374,129**	304,446
Insurance premium ceded to reinsurers		**-**	-	**(59,297)**	(41,692)
Net premium written	35	**-**	-	**314,832**	262,754
Change in unearned premium	20	**-**	-	**(6,740)**	(9,042)
Net insurance premium revenue				**308,092**	253,712
Other income	29	**7,717**	10,303	**26,832**	20,607
Net income		**32,792**	23,394	**420,546**	349,305
Insurance benefits and claims	30	**-**	-	**(133,685)**	(108,802)
Change in insurance contract liabilities – life fund	19	**-**	-	**(73,525)**	(69,319)
Net benefits and claims				**(207,210)**	(178,121)
Operating expenses	31	**(12,219)**	(9,243)	**(93,424)**	(70,073)
Commission expense	36	**-**	-	**(52,212)**	(51,055)
Commission income	37	**-**	-	**8,065**	8,985
Net expenses		**(12,219)**	(9,243)	**(344,781)**	(290,264)
Profit before national fiscal stabilisation levy and income tax		**20,573**	14,151	**75,765**	59,041
National fiscal stabilisation levy	32	**-**	-	**(3,879)**	(2,743)
Income tax expense	33	**(4,459)**	(874)	**(3,885)**	(4,731)
Profit for the year		**16,114**	13,277	**68,001**	51,567
Attributable to:					
Owners of the parent		**16,114**	13,277	**34,439**	27,572
Non controlling interest	8	**-**	-	**33,562**	23,995
Earnings per share for profit attributable to the equity holders of the Company during the year					
Basic (GH¢ per share)	40	**0.120**	0.100	**0.257**	0.207
Diluted (GH¢ per share)	40	**0.119**	0.098	**0.255**	0.204

The notes on pages 48 to 100 are an integral part of these financial statements.

Statements of Comprehensive Income

(All amounts are in thousands of Ghana cedis)

	The Company		The Group	
	For the year ended 31 December			
	2016	2015	**2016**	2015
Profit for the year	**16,114**	13,277	**68,001**	51,567
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation difference	**-**	-	**20**	1,718
Total comprehensive income for the year	**16,114**	13,277	**68,021**	53,285
Attributable to:				
Owners of the parent	**16,114**	13,277	**34,447**	28,175
Non – controlling interest	**-**	-	**33,574**	25,110
Total comprehensive income for the year	**16,114**	13,277	**68,021**	53,285

The notes on pages 48 to 100 are an integral part of these financial statements.

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Statement of Changes In Equity

(All amounts are in thousands of Ghana cedis)

The Company	Stated capital	Retained earnings account	Share option reserve	Total
Balance at 1 January 2015	33,169	74,730	407	108,306
Total comprehensive income				
Profit	-	13,277	-	13,277
Total comprehensive income	-	13,277	-	13,277
Transactions with owners of the Company				
Contributions and distributions				
Dividend:				
- Final dividends paid for 2014		(3,303)	-	(3,303)
Share option scheme:	-	-		
- Value of employee services (Note 41)	-	-	977	977
- Transfer to stated capital for share options exercised (Note 14)	866		(866)	-
- Proceeds from issue of ordinary shares (Note 14)	1,885	-	-	1,885
Total transactions with owners of the Company	2,751	(3,303)	111	(441)
Balance at 31 December 2015	35,920	84,704	518	121,142
Balance at 1 January 2016	35,920	84,704	518	**121,142**
Total comprehensive income				
Profit	-	16,114	-	**16,114**
Total comprehensive income	-	16,114	-	**16,114**
Transactions with owners of the Company				
Contributions and distributions				
Final dividend paid for 2015	-	(6,691)	-	**(6,691)**
Share option scheme:				
- Value of employee services (Note 41)	-	-	161	**161**
- Transfer to stated capital for share options exercised (Note 14)	327	-	(327)	**-**
- Proceeds from issue of ordinary shares (Note 14)	1,021	-	-	**1,021**
Total transactions with owners of the Company	1,348	(6,691)	(166)	**(5,509)**
Balance at 31 December 2016	37,268	94,127	352	**131,747**

The notes on pages 48 to 100 are an integral part of these financial statements.

Statement of Changes in Equity

(All amounts are in thousands of Ghana cedis)

The Group	Stated capital	Retained earnings account	Currency translation reserve	Share option scheme	Contingency reserve	Non controlling interest	Total
Balance at 1 January 2015	33,169	129,592	207	407	15,800	44,118	223,293
Total comprehensive income					-		
Profit	-	27,572	-	-		23,995	51,567
Other comprehensive income	-	-	603	-	-	1,115	1,718
Total comprehensive income	-	27,572	603	-	-	25,110	53,285
Transfer to contingency reserve	-	(3,030)	-	-	3,030	-	-
Transactions with owners of the Company							
Contributions and distributions							
Dividend:							
- Final dividends paid for 2014	-	(3,303)	-	-	-	-	(3,303)
- Interim dividend for 2015	-	-	-	-	-	(10,780)	(10,780)
Share option scheme:							
- Value of employee services (Note 41)	-	-	-	977	-	-	977
- Transfer to stated capital for share options exercised (Note 14)	866	-	-	(866)	-		-
Proceeds from issue of ordinary shares (Note 14)	1,885	-	-	-	-	-	1,885
Transfer to non controlling interest	-	-	-	-	-	10,780	10,780
Total transactions with owners of the Company	2,751	(3,303)	-	111	-	-	(441)
Balance at 31 December 2015	35,920	150,831	810	518	18,830	69,228	276,137

The notes on pages 48 to 100 are an integral part of these financial statements.

Statement of Changes in Equity

(All amounts are in thousands of Ghana cedis)

The Group	Stated capital	Retained earnings account	Currency translation reserve	Share option reserve	Contingency reserve	Non controlling interest	Total
Balance at 1 January 2016	35,920	150,831	810	518	18,830	69,228	276,137
Total comprehensive income							
Profit	-	34,439	-	-	-	33,562	68,001
Other comprehensive income	-	-	8	-	-	12	20
Total comprehensive income	-	34,439	8	-	-	33,574	68,021
Transfer to contingency reserve	-	(6,316)	-	-	6,316	-	-
Transactions with owners of the Company							
Contributions and distributions							
Dividend:							
Final dividends paid for 2015	-	(6,691)	-	-	-	-	(6,691)
Dividends to non controlling interest	-	-	-	-	-	(20,475)	(20,475)
Share option scheme:							
Value of employee services (Note 41)	-	-	-	161	-	-	161
Transfer to stated capital for share options exercised (Note 14)	327	-	-	(327)	-	-	-
Proceeds from issue of ordinary shares (Note 14)	1,021	-	-	-	-	-	1,021
Total transactions with owners of the Company	1,348	(6,691)	-	(166)	-	(20,475)	(25,984)
Balance at 31 December 2016	37,268	172,263	818	352	25,146	82,327	318,174

The notes on pages 48 to 100 are an integral part of these financial statements.

Statement of Cash Flows

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
		As at 31 December		As at 31 December	
	Note	**2016**	2015	**2016**	2015
Cash flows from operating activities					
Cash used in operations	38	**(8,364)**	(38,703)	**(152,557)**	(5,711)
Investment income received		**25,040**	13,721	**79,652**	66,917
Income tax paid	33	**(143)**	-	**(6,694)**	(5,318)
National fiscal stabilisation levy paid	32	**-**	-	**(4,318)**	(3,790)
Net cash generated / (used in) from operating activities		**16,533**	(24,982)	**(83,917)**	52,098
Cash flows from investing activities					
Purchases of property and equipment	5	**(652)**	(685)	**(12,795)**	(11,917)
Proceeds from sale of property and equipment	5	**89**	-	**200**	178
Purchase of intangible assets	6	**-**	-	**(387)**	(24)
Net cash used in investing activities		**(563)**	(685)	**(12,982)**	(11,763)
Cash flow from financing activities					
Dividends paid	34	**(6,691)**	(3,303)	**(19,324)**	(10,780)
Proceeds from issue of ordinary shares	14	1,021	1,885	1,021	1,885
Proceeds from loans and borrowings	25	**-**	-	**40,425**	-
Net cash (used in)/generated from financing activities		**(5,670)**	(1,418)	**22,122**	(8,895)
Net (decrease)/increase in cash and cash equivalents		**10,300**	(27,085)	**(74,777)**	31,440
Cash and cash equivalents at beginning of year	13	**27,533**	54,618	**205,409**	173,969
Cash and cash equivalents at end of year	13	**37,833**	**27,533**	**130,632**	**205,409**

The notes on pages 48 to 100 are an integral part of these financial statements.

Notes to the financial statements

(All amounts are in thousands of Ghana cedis)

1. General information

Enterprise Group Limited ("the Company") and its subsidiaries (together forming "the Group") underwrite insurance risks, including those associated with death, disability, health, property and liability. The Group also operates a pension fund management, real estate and funeral services business.

The Company is a limited liability company incorporated under the Companies Act, 1963 (Act 179) and domiciled in Ghana with registered office address of Enterprise House, No.11 High Street, PMB GP150, Accra. The Company is listed on the Ghana Stock Exchange and its subsidiaries are Enterprise Insurance Company Limited, Enterprise Life Assurance Company Limited, Enterprise Trustees Limited and Enterprise Properties Limited.

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the income statement, in these financial statements

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and relates to both the Company's and the Group's activities. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179). The financial statements have been prepared under the historical cost conversion, except for investment properties, insurance contract liabilities and financial assets held at fair value through profit or loss which have been measured at fair value.

Use of estimates and judgements

In preparing the consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2016 is set out in note 4.

2.1.1 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

There are no new IFRSs and International Financial Reporting Interpretation Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that would be expected to have a significant impact on the financial statements.

(ii) New standards and interpretations that are not yet effective and have not been early adopted
A number of new standards and amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 January 2016, but have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group, except the following:

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

2.1.1 Changes in accounting policy and disclosures *(continued)*

(ii) New standards and interpretations that are not yet effective and have not been early adopted *(continued)*

IFRS 9 Financial Instruments
On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard changes the measurement bases of the financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted. The Directors' are yet to assess IFRS 9's full impact.

IFRS 15 Revenue from contracts with customers
This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, and related interpretations.

The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract based five step analysis of transactions to determine whether, how much and when revenue is recognised.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Directors are assessing the impact of IFRS 15.

Disclosure Initiative (Amendments to IAS 7)
The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. The Directors are assessing the impact of the amendments to IAS 7.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

2. Summary of significant accounting policies *(continued)*

2.1 Basis of preparation *(continued)*

2.1.1 Changes in accounting policy and disclosures *(continued)*

(ii) New standards and interpretations that are not yet effective and have not been early adopted *(continued)*

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) *(continued)*
The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses that are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. The Directors are assessing the impact of the amendments to IAS 12.

Clarifying share based payment accounting (Amendments to IFRS 2)
Currently, there is ambiguity over how a company should account for certain types of share based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 Share based Payment.

The amendments cover three accounting areas:
Measurement of cash settled share based payments –The new requirements do not change the cumulative amount of expense that is ultimately recognised, because the total consideration for a cash settled share based payment is still equal to the cash paid on settlement.

Classification of share based payments settled net of tax withholdings –The amendments introduce an exception stating that, for classification purposes, a share based payment transaction with employees is accounted for as equity settled if certain criteria are met.

Accounting for a modification of a share based payment from cash settled to equity settled –. The amendments clarify the approach that companies are to apply.

The new requirements could affect the classification and/or measurement of these arrangements – and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are effective for annual periods commencing on or after 1 January 2018. The Directors are assessing the impact of the amendments to IFRS 2.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.2 Consolidation

2.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. Consideration ceases when control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies. Non controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2.2.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non controlling interests are also recorded in equity.

2. Summary of significant accounting policies *(continued)*

2.2 Consolidation *(continued)*

2.2.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.4 Separate financial statements

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.3 Foreign currency transaction

2.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ghana Cedi (GH¢), which is the functional currency of the Company. All financial information presented in Ghana cedis have been rounded to the nearest thousand, except when otherwise stated.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are reported on a net basis under operating expenses or other income.

2.3.3 Group companies

- The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in 'currency translation reserve' in equity.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.4 Property and equipment

Property and equipment is measured at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Cost of an item of property and equipment includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing property and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an item of property and equipment.

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 measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate the cost over the assets' estimated useful lives. The depreciation rates used for each significant class of property and equipment are as follows:

Motor vehicles	25%
Furniture and fittings	12.5% - 25%
Computer equipmentt	33.33%
Office equipment	20% - 25%
Buildings	2.5 - 4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (note 2.7).

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

2.5 Intangible assets

Intangible assets comprise computer software licenses. Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortized on a straight line basis and recognized in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is three years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2. Summary of significant accounting policies *(continued)*

2.6 Investment property

Property that is held for long term rental yields or for capital appreciation or both, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.6 Investment property *(continued)*

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an item of owner occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.7 Impairment of non financial assets

The carrying amounts of the Group's non financial assets (other than deferred tax assets, inventories, investment property) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments of non financial assets are reviewed for possible reversal at each reporting date.

2.8 Leases

2.8.1 Lease payments Lessee

Payments made under operating leases are recognized in income statements on a straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance lease are apportioned between finance expense and a reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2.8.2 Lease assets Lessee

Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased asset is initially measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's statement of financial position.

2. Summary of significant accounting policies *(continued)*

2.8 Leases *(continued*

2.8.3 Lease assets - Lessor

Where significant portions of the risks and rewards of ownership or leases are retained by the lessor, such leases are classified as operating leases.

Lease income from operating leases are recognized in income statement on a straight line basis over the period of the lease.

Properties leased out under operating leases are included in investment properties (Note 2.6).

2.9 Financial assets and financial liabilities

2.9.1 Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The directors determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets as they are expected to be settled within 12 months.

b) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non current assets. The Group's loans and receivables comprise 'trade and other receivables', 'due from reinsurers', 'due from related parties' and 'cash and cash equivalents' (notes 2.10, 11 and 13). Receivables arising out of reinsurance arrangements or direct insurance arrangements are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

c) Held to maturity

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The Group's held to maturity financial assets comprise unlisted debt securities.

d) Available for sale

The Group classifies its unlisted equity securities as available for sale financial assets. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.9 Financial assets and financial liabilities *(continued)*

Recognition and measurement

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instruments. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of investment income when the Group's right to receive payments is established.

2.9.2 Financial liabilities

Financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instruments. The Group's holding in financial liabilities represents mainly insurance contract liabilities, creditors arising from reinsurance arrangements, loans and borrowings, trade and other payables and other liabilities. Such financial liabilities are initially recognised at fair value less any directly attributable transaction costs and subsequently measured at amortised cost using effective interest method. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

2.9.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. The quoted market price used for financial assets is the current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment.

2. Summary of significant accounting policies *(continued)*

2.9 Financial assets and financial liabilities *(continued*

2.9.4 Impairment of financial assets

Financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a 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 occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, 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 (excluding future credit losses that have not been incurred) 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 income statement. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.9.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under applicable accounting standards, or for gains and losses arising from a Group of similar transactions such as in the Groups' trading activity.

2.10 Insurance contract

Companies within the group licensed to carry out insurance business undertake contracts to underwrite significant insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 10% more than the benefits payable if the insured event did not occur.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.10 Insurance contract *(continued)*

2.10.1 Recognition and measurement

The Group's insurance contracts are classified into life and non life insurance contracts.

2.10.1.1 Non-life insurance contracts

Non life insurance contracts are casualty and property insurance contracts. Casualty insurance contracts protect the contract holder against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non contractual events.

The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the contract holder for damage suffered to their properties or for the value of property lost. Contract holders who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Non life insurance contracts protect the contract holders from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependents 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. There are no maturity or surrender benefits.

Non life insurance premium income is recognised on assumption of risks, and, less an allowance for cancellations, and less unearned premium. Unearned premiums represent the proportion of the premiums written in periods up to the accounting date that relates to the unexpired terms of policies in force at the reporting date, and is calculated on a time apportionment basis. Premiums are shown before deduction of commission and are gross of any taxes or duties levied on premiums.

Non life insurance claims and loss adjustment expenses are charged to profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Non life insurance commission expenses are paid on new insurance policies accepted during the period and renewals. Commission expense is recognised when incurred.

Contingency reserve is held for the full amount of contingency reserve for companies within the Group issuing non life insurance contracts in Ghana as required by the regulatory authority in Ghana. Transfers to and from the contingency reserve are treated as appropriations of income surplus.

2. Summary of significant accounting policies *(continued)*

2.10 Insurance contract *(continued)*

2.10.1 Recognition and measurement *(continued)*

2.10.1.2 Life Insurance contracts

Life insurance 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.

The Group issues long term insurance contracts. These contracts insure events associated with human life (for example, death). The Group's insurance contracts are divided into 'individual life insurance contracts' and 'group life insurance contracts'. Group life insurance contracts are usually taken to cover a group of persons whiles individual life contracts are taken to cover an individual.

Claims and other benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is actuarially determined (Note 2.10.5) based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the decrease of unexpired insurance risk of the contracts in force or, for annuities in force, in line with the decrease of the amount of future benefits expected to be paid.

2.10.2 Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts in Note 2.10.1 are classified as reinsurance contracts held. Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. Contracts that do not meet these classification is classified as financial assets.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.10 Insurance contract *(continued)*

2.10.2 Reinsurance contracts held *(continued)*

If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost. The impairment loss is calculated following the same method used for these financial assets.

2.10.3 Receivables and payables related to insurance contracts

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in profit or loss. The Group gathers the objective evidence that an insurance receivable is impaired using the same process adopted for loans and receivables. The impairment loss is calculated under the same method used for these financial assets. These processes are described in Note 2.9.4.

2.10.4 Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example, salvage). The Group may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included as an allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled. The allowance is the amount that can reasonably be recovered from the disposal of the property.

2.10.5 Life insurance liability valuation basis and methodology

Policy liabilities for insurance contracts are determined using actuarial valuation principles and are reflected in the statement of financial position as “Life insurance contract liabilities” or “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; expenses; persistency; mortality and other factors that may impact on the financial position of the Group.

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.

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.

All deficits or surplus arising from the valuation of the Group’s life fund are recognised in profit or loss.

2. Summary of significant accounting policies *(continued)*

2.11 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction the entities in the Group operate in adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

2.14 Stated capital

Ordinary shares are classified as equity. All shares are issued at no par value.

2.15 Other payables

Other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Provisions

Provisions are recognised when: the Group have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

2.18 Revenue recognition

Revenue comprises the fair value for services rendered. Revenue is recognised as set out below:

2.18.1 Premium income

The accounting policy in relation to revenue from insurance contracts is disclosed in note 2.10.

2.18.2 Dividend income

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

2.18.3 Rental income

Rental income from operating leases is recognised on a straight line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight line basis, as a reduction of rental income.

Investment property revenue includes rental income, and service charges and management charges from properties.

2.18.4 Service charges and management charges from investment properties

Service and management charges are recognised in the accounting period in which the services are rendered. When the Group is acting as an agent, the commission rather than gross income is recorded as revenue.

2. Summary of significant accounting policies *(continued)*

2.18 Revenue recognition *(continued)*

2.18.5 Pension management fee

Pension management fees are charged to the customer periodically (monthly) either directly or by making a deduction from invested funds. Fees billed in advance are recognised on a straight line basis over the billing period; fees charged at the end of the period are accrued as a receivable that is offset against the financial liability when charged to the customer.

2.18.6 Interest income

Interest income for all interest bearing financial instruments, including financial instruments measured at fair value through profit or loss, is recognised within 'investment income' using the effective interest rate 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.

2.19 Operating expenses

Operating expenses include expenses claim handling costs, product development, training costs, and marketing expenditure as well as all other non commission related expenditure. Operating expenses are recognised when incurred. Operating expenses also include staff related costs, auditors and directors remuneration and other general administrative expense.

2.20 Commission expenses

Commission expenses are paid on new business accepted policies during the period and renewals. Commission expenses are recognised when incurred.

2.21 Policyholder benefits

Policyholder benefit payments in respect of insurance contracts are shown gross of reinsurance recoveries and recognised when claims are incurred.

2.22 Employee benefits

2.22.1 Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.22.2 Defined contribution plans

Social security contributions

The Group contributes to the defined contribution scheme (the Social Security Fund) on behalf of employees. The Group operates the two tier pension scheme. Contributions by the Group to the mandatory tier one and tier two schemes are determined by law; currently the employer contributes 13% of employee's basic salary while employee contributes 5.5%.

Out of the total contribution of 18.5%, the Company remits 13.5% to Social Security and National Insurance Trust towards the first tier pension scheme and the remaining 5% to a privately managed scheme by Enterprise Trustees Limited under the mandatory second tier.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

2. Summary of significant accounting policies *(continued)*

2.22 Employee benefits *(continued)*

2.22.2 Defined contribution plans *(continued)*

Provident fund

The Company contributes 9% to 11% of an employee's basic salary into a provident fund. This is a defined contribution scheme under the management of an external fund manager appointed by the Trustees.

The Group's contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Group has no further payment obligations once the contributions have been paid.

2.23 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventories is based on the first in first out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

2.24 Share option

The Group operates an equity settled, share based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non market performance and service contributions conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the entity issues new shares. The proceeds received net of any directly attributable transaction costs are credited to stated capital when the options are exercised.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, responsible for allocating resources and assessing performance of the operating segments is the Board of Directors.

All transactions between business segments are conducted on the same basis as offered to third parties, with intra segment revenue and costs being eliminated in head office. Income and expenses directly associated with each segment are included in determining business segment performance.

3. Management of insurance and financial risk

3.1 Insurance risk

Insurance contracts issued by companies within the group carrying out insurance business transfers insurance risk. This section summarises these risks and the way the Group manages them.

3.1.1 Management of non life insurance risk

The Group underwrites risks that individuals, corporate or other entities wish to transfer to an insurer. Such risks may relate to property, accident, motor, liability, marine 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.

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.

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 parties are also covered in this class.

(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.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.1 Insurance risk *(continued)*

3.1.1 Management of non life insurance risk *(continued)*

3.1.2 Limiting exposure to non life 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 centralised 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 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 portfolio 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 department and risk management unit. The objectives and responsibilities of the department is set out and approved by the board of directors.

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 Group, and this leads to the type and level of reinsurance placed for the year. Facultative and treaty reinsurance are undertaken for the purposes of cost efficiency, compliance with risk assumption criteria and security.

(ii) Re insurance 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 Group'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.

The concentration of non life insurance risk before and after reinsurance by class in relation to the type of insurance risk acceptable in summarised in note 29.

3. Management of insurance and financial risk *(continued)*

3.1 Insurance risk *(continued)*

3.1.3 Sources of uncertainty in the estimation of future claim payments

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.

(i) 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.

(ii) 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.

(iii) Claims incurred but not yet reported (IBNR)

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims.

(iv) Unsettled claims

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case by case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

3.1.4 Management of life insurance risk

The risk under any one life insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of a life insurance contract, this risk is random and therefore unpredictable.

For a portfolio of life insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.1.4 Management of life insurance risk *(continued)*

The assumptions used in the insurance contracts are disclosed in Note 4.1.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The concentration of life insurance risk before and after reinsurance by class in relation to the type of insurance risk acceptable in summarised.

The Actuarial Committee draws on its knowledge of the business; the asset manager's expertise; and the experience of the statutory actuary.

The Investment Committee is responsible for the implementation and monitoring of the asset management process to ensure that the risks arising from trading positions are effectively managed within the pre determined risk parameters.

3.2 Financial risk

The Group is exposed to a range of financial risks through its financial assets, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are market risk (including foreign currency risk, interest rate risk and other price risk), liquidity risk and credit risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages financial risks via the Board Investment Committee ("BIC") which is mandated to achieve long term investment returns in excess of the Group's obligations under insurance contracts. The principal technique of the BIC is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders.

3.2.1 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. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3. Management of insurance and financial risk *(continued)*

3.2.1.1 Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars, the Pound Sterling and the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Foreign currency changes are monitored by the investment committee and holdings are adjusted when there is a deviation from the Company's investment policy. The Company's exposure to foreign currency risk based on notional amounts at the year end was as follows

31 December 2016	**The Company**			**The Group**		
In thousands of	**USD**	**GBP**	**EUR**	**USD**	**GBP**	**EUR**
Cash and cash equivalents	6,896	-	-	11,270	86	248
Due from reinsurers	-	-	-	1,078	31	87
Due from related party	(12,645)	-	-	-	-	-
Loans and borrowings	-	-	-	(9,529)	-	-
Due to reinsurers	-	-	-	(825)	(22)	(107)
Net exposure	(5,749)	-	-	1,994	95	228

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.2 Financial risk *(continued)*

3.2.1 Market risk *(continued)*

3.2.1.1 Foreign exchange risk *(continued)*

31 December 2015	The Company			The Group		
In thousands of	**USD**	**GBP**	**EUR**	**USD**	**GBP**	**EUR**
Cash and cash equivalents	2,965	-	-	6,279	56	94
Due from reinsurers	-	-	-	1,411	34	86
Due from related party	(13,387)	-	-	-	-	-
Due to reinsurers	-	-	-	(1,124)	(20)	(108)
Net exposure	(10,422)	-	-	6,566	70	72

The following significant exchange rates were applied during the year:

	Average Rate		Year end spot rate	
	2016	2015	**2016**	2015
USD 1	**3.96**	3.83	**4.25**	3.83
GBP 1	**5.15**	5.75	**5.20**	5.61
EUR 1	**4.44**	4.17	**4.44**	4.13

The following table shows the effect of a strengthening or weakening of the US$ against the GH¢ on the Company's profit or loss. This sensitivity analysis indicates the potential impact on profit or loss based on foreign currency exposures at 31 December. 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 exchange rate per currency recorded in the course of the respective financial year.

Sensitivity analysis – currency risk

At 31 December, if the Ghana cedi had strengthened or weakened against the United States dollars with all variables held constant, the impact would have been as follows:

The Company	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 December 2016	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
USD (7% movement)	1,776	(1,776)	1,332	(1,332)
31 December 2015				
USD (10% movement)	3,992	(3,992)	2,993	(2,993)

The Group	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 December 2016	**GH¢'000**	GH¢'000	**GH¢'000**	GH¢'000
USD (7% movement)	(616)	616	(462)	462
GBP (10% movement)	(49)	49	(37)	37
EUR (10% movement)	(101)	101	(76)	76
31 December 2015				
USD (10% movement)	(2,515)	2,515	(1,887)	1,887
GBP (10% movement)	(39)	39	(30)	30
EUR (10% movement)	(30)	30	(24)	24

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.2 Financial risk *(continued)*

3.2.1 Market risk *(continued)*

3.2.1.2 Interest rate risk

Fixed interest rate financial instruments carried at fair value expose the Group to fair value interest rate risk. The Group's fixed interest rate financial instruments are government securities and deposits with financial institutions. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

The interest rate profile of the Group's interest bearing financial instruments as at the reporting date, is as follows:

	The Company		The Group	
	2016	2015	**2016**	2015
Fixed rate instruments				
Financial assets	**415**	12,382	**401,294**	321,547
Variable rate instruments				
Financial liabilities	**-**	-	**(40,425)**	-

Sensitivity analysis – interest rate risk

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, particularly foreign currency exchange rates, remain constant.

The Company	Profit or loss		Equity, net of tax	
	50bp Increase	50bp Decrease	50bp Increase	50bp Decrease
31 December 2016				
Fixed rate instruments	(2)	2	(2)	2
31 December 2015				
Fixed rate instruments	(62)	62	(47)	47

The Group	Profit or loss		Equity, net of tax	
	50bp Increase	50bp Decrease	50bp Increase	50bp Decrease
31 December 2016				
Fixed rate instruments	(2,006)	2,006	(1,505)	1,505
Variable rate instruments	202	(202)	152	(152)
31 December 2015				
Fixed rate instruments	(1,608)	1,608	(1,206)	1,206

3.2.1.3 Price risk

The Group is exposed to equity securities price risk because of investments in quoted shares classified as fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group. All listed investments held by the Group are traded on the Ghana Stock Exchange (GSE).

Sensitivity analysis – Equity price risk

At 31 December 2016, if there was a 5% increase or increase in share prices of the Group's listed equity instruments with all other variables held constant, the impact on profit or loss and equity would have been an increase or decrease of GH¢ 1.59 million after tax (2015: GH¢ 1.71 million after tax).

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.2 Financial risk *(continued)*

3.2.2 Credit risk

Credit risk arises from the inability or unwillingness of counterparty to a financial instrument to discharge its contractual obligations.

The Group is exposed to credit risk in respect of the following:

i) Receivables arising out of reinsurance arrangements;
ii) Debt securities; and
iii) Staff and other receivables.

The Group has no significant concentrations of credit risk. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category are approved periodically by the Board of Directors.

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 creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The Group does not have a concentration of credit risk in respect of reinsurance as it deals with variety of reinsurers.

The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write offs. Internal audit makes regular reviews to assess the degree of compliance with the procedures on credit.

The Group is not exposed to credit risk from its insurance contract holders because in accordance with the regulator's directive, an insurer can only underwrite insurance risk when the premium is settled.

Exposure to financial institutions concerning deposits and similar transactions is monitored against approved limits. The Group manage credit risk associated with deposits with banks by transacting business with financial institutions licensed by the central banks of the respective jurisdictions in which the entities within the Group operate.

Debt securities are instruments in the form of treasury bills and bonds issued by the Government in the respective jurisdictions in which the entities within the Group operate. Below is the analysis of the Group's maximum exposure to credit risk at year end.

	The Company		The Group	
	2016	2015	**2016**	2015
Equity securities	**1,602**	4,114	**42,434**	45,570
Debt securities	**415**	12,382	**401,294**	321,547
Cash and bank balances	**37,833**	15,151	**100,951**	57,445
Amount due from related parties	**66,052**	59,232	**-**	-
Due from reinsurers	**-**	-	**21,266**	28,717
Staff advances	**1**	14	**7**	43
Other receivables	**334**	-	**16,580**	13,765
	106,237	90,893	**582,532**	467,087

None of the Group's financial assets are neither past due nor impaired at 31 December 2016 and 31 December 2015. The Group does not hold any collateral security.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.2 Financial risk *(continued)*

3.2.3 Liquidity

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of policyholder benefit payments or cash requirements from contractual commitments. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil policyholder commitments. The risk that the Group will be unable to do so is inherent in all insurance operations and can be affected by a range of institution specific and market wide events including, but not limited to, credit events, systemic shocks and natural disasters.

The Group's liquidity management process, is monitored by a separate team in finance, includes day to day funding, managed by monitoring future cash flows to ensure that requirements can be met, maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow and monitoring the liquidity ratios of the statement of financial position against internal and regulatory requirements. Monitoring and reporting take the form of cash flow measurement and projections for the next month, as this is a key period for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The table below presents the cash flows payable by the Company for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows:

The Company		Contractual cash flows (undiscounted)		
Year ended 31 December 2016	**Carrying amount**	**Up to 1 year**	**Over to 1 year**	**Total**
Trade and other payables	**3,373**	3,373	-	3,373
Due to related parties	**50**	50	-	50
	3,423	3,423	-	3,423
Year ended 31 December 2015				
Trade and other payables	**2,902**	2,902	-	2,902
	2,902	2,902	-	2,902

The Group		Contractual cash flows (undiscounted)		
Year ended 31 December 2016	**Carrying amount**	**Up to 1 year**	**Over to 1 year**	**Total**
Outstanding claims	**7,235**	7,235	-	7,235
Loans and borrowings	**40,425**	4,050	**54,526**	58,576
Trade and other payables	**49,778**	49,778	-	49,778
Due to re insurers	**13,901**	13,901	-	13,901
Due to related parties	**820**	820	-	820
	112,159	75,784	**54,526**	130,310
Year ended 31 December 2015				
Outstanding claims	**4,181**	4,181	-	4,181
Trade and other payables	**31,393**	31,393	-	31,393
Due to re insurers	**13,073**	13,073	-	13,073
Due to related parties	**5,901**	5,901	-	5,901
	54,548	54,548		54,548

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.3 Capital management

The Group's objectives when managing capital are:

- To comply with the insurance capital requirements;
- To safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

The insurance and pension regulators in each of the countries in which the Group operates specifies minimum capital that must be held in addition to the insurance liabilities.

The minimum required capital (presented in the table below for each of the entities within the Group) must be maintained at all times throughout the year.

The table below summarises the minimum required capital and the regulatory capital held. These figures are an aggregate number, being the sum of the statutory capital.

Year ended 31 December 2016

Entity	Nature of activity	Regulatory capital held	Minimum regulatory capital requirement
Enterprise Insurance Company Limited	General Insurance	15,316	15,000
Enterprise Life Assurance Company Limited	Life Insurance	15,000	15,000
Enterprise Life Assurance Company (Gambia) Limited	Life Insurance	843	843
Enterprise Trustees Limited	Pension	7,417	1,000

Year ended 31 December 2015

Entity	Nature of activity	Regulatory capital held	Minimum regulatory capital requirement
Enterprise Insurance Company Limited	General Insurance	15,316	15,000
Enterprise Life Assurance Company Limited	Life Insurance	15,000	15,000
Enterprise Life Assurance Company (Gambia) Limited	Life Insurance	843	843
Enterprise Trustees Limited	Pension	7,417	1,000

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.4 Accounting classifications and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount						Fair value		
The Company **Year ended 31 December 2016**	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Listed equity securities	1,599	-	-	-	-	1,599	1,599	-	-
	1,599	-	-	-	-	1,599	-	-	-
Financial assets not measured at fair value									
Unlisted equity securities	-	-	-	3	-	3	-	-	-
Treasury bills	-	415	-	-	-	415	-	-	-
Loans and receivables	-	-	335	-	-	335	-	-	-
Due from related parties	-	-	50	-	-	50	-	-	-
Cash and bank balances	-	-	37,833	-	-	37,833	-	-	-
	-	415	38,218	3	-	38,636	-	-	-
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	-	-	3,373	-	-	-
Due to related parties	-	-	-	-	-	66,052	-	-	-
	-	-	-	-	-	69,425	-	-	-

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.4 Accounting classifications and fair values *(continued)*

The Company	Carrying amount						Fair value		
Year ended 31 December 2015	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Listed equity securities	4,102	-	-	-	-	4,102	4,102	-	-
	4,102	-	-	-	-	4,102			
Financial assets not measured at fair value									
Unlisted equity securities	-	-	-	12	-	12	-	-	-
Treasury bills	-	12,382	-	-	-	12,382	-	-	-
Loans and receivables	-	-	14	-	-	14	-	-	-
Cash and bank balances	-	-	15,151	-	-	15,151	-	-	-
	-	12,382	15,165	12	-	27,559			
Financial liabilities not measured at fair value									
Trade and other payables	-	-	–	-	2,902	2,902	-	-	-
Due to related parties	- -	-	-	-	59,232	59,232	-	-	-
	-	-	-	-	62,134	62,134			

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.4 Accounting classifications and fair values *(continued)*

The Group	Carrying amount						Fair value		
Year ended 31 December 2016	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Listed equity securities	42,431	-	-	-	-	42,431	42,431	-	-
	42,431	-	-	-	-	42,431			
Financial assets not measured at fair value									
Unlisted equity securities	-	-	-	3	-	3	-	-	-
Fixed deposits	-	223,724	-	-	-	223,724	-	-	-
Bonds	-	72,586	-	-	-	72,586	-	50,372	-
Treasury bills	-	104,984	-	-	-	104,984	-	-	-
Loans and receivables	-	-	16,587	-	-	16,587	-	-	-
Due from re insurers	-	-	21,266	-	-	21,266	-	-	-
Due from related parties	-	-	820	-		820	-	-	-
Cash and bank balances		-	100,951	-	-	100,951	-	-	-
		401,294	139,624	3	-	540,921			
Financial liabilities not measured at fair value									
Outstanding claims	-	-	-	-	7,235	7,235	-	-	-
Loans and borrowings	-	-	-	-	40,425	40,425	-	-	-
Trade and other payables	-	-	-	-	49,778	49,778	-	-	-
Due to re insurers	-	-	-	-	13,901	13,901	-	-	-
	-	-	-	-	111,339	111,339			

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

3. Management of insurance and financial risk *(continued)*

3.4 Accounting classifications and fair values *(continued)*

The Group	Carrying amount						Fair value		
Year ended 31 December 2015	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value									
Listed equity securities	45,558	-	-	-	-	45,558	45,558	-	-
	45,558	-	-	-	-	45,558			
Financial assets not measured at fair value									
Unlisted equity securities	-	-	-	12	-	12	-	-	-
Fixed deposits	-	189,154	-	-	-	189,154	-	-	-
Bonds	-	15,488	-	-	-	15,488	-	11,872	-
Treasury bills	-	116,905	-	-	-	116,905	-	-	-
Loans and receivables	-	-	13,808	-	-	13,808	-	-	-
Due from re insurers	-	-	28,717	-	-	28,717	-	-	-
Due from related parties	-	-	5,901	-		5,901	-	-	-
Cash and bank balances	-	-	57,445	-	-	57,445	-	-	-
	-	321,547	105,871	12	-	427,430			
Financial liabilities not measured at fair value									
Outstanding claims	-	-	-	-	4,181	4,181	-	-	-
Trade and other payables	-	-	-	-	31,393	31,393	-	-	-
Due to re insurers	-	-	-	-	13,073	13,073	-	-	-
	-	-	-	-	48,647	48,647			

There were no transfers between level 1, 2 and 3 during the year for either Company or the Group (2015: Nil).

The Group's financial assets and financial liabilities classified as 'loans and receivables' and 'other financial liabilities at amortised cost' are due within 12 months and the directors deem their carrying amount to approximate their fair values due to their short term nature.

(All amounts are in thousands of Ghana cedis)

4. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

4.1 Assumptions and estimates of life insurance contract holder liabilities (life fund)

The liabilities relating to insurance contracts are measured in accordance with the financial soundness valuation basis. The basis uses best estimate assumptions regarding future experience together with compulsory and discretionary margins for prudence and deferral of profit emergence. Assumptions used in the valuation basis are reviewed periodically and any changes in estimates are reflected in the income statement as they occur.

The process used to decide on best estimate assumptions is described below:

(i) Mortality

Individual non profit business: Mortality assumptions are based on internal investigations into mortality experience. Annual mortality investigations are carried out. Allowance for worsening mortality as a result of AIDS has been made using a widely accepted AIDS and demographic model, calibrated to reflect the contract holder population being modelled.

(ii) Morbidity

Morbidity and accident investigations are done annually.

(iii) Persistency

Lapses and surrender assumptions are based on pricing and past experience. When appropriate, account is also taken of expected future trends. Experience is analyzed by product type as well as policy duration.

(iv) Expenses

The budgeted expense for 2016 is taken as an appropriate expense base. Provision for future renewal expenses starts at a level consistent with the budgeted experience for the 2016 financial year and allows for escalation at an assumed expense inflation. The allocation of total expenses between initial and renewal is based on a functional cost analysis for both grouped and individual business.

(v) Investment returns

Market related information is used to derive assumptions in respect of investment returns, discount rates used in calculating contract holder liabilities and renewal inflation.

Sensitivity analysis

The following tables present the sensitivity of the value of insurance liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance liabilities.

Variable	**Change in variable**	**Change in liability**	
		2016	2015
Worsening in mortality	+1% p.a	1,171	573
Worsening of expense inflation	+1% p.a	1,449	986
Worsening of lapse rate	+20%	309	921

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated – for example, change in interest rate and change in market values; and change in lapses and future mortality.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

4. Critical accounting estimates and judgements *(continued)*

4.2 The ultimate liability arising from claims made under non life insurance contracts

There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

An increase of 10% in the ultimate number of such claims would cost an additional loss of GH¢723,500 net of re insurance (2015: GH¢418,100).

4.3 Investment property

The valuation was determined by a professional independent valuer principally based on sales price of comparable properties in close proximity and adjusted for size of the property. The inputs used in estimating the value of the Group's investment properties are not quoted on an active market and are classified under level 2 fair value hierarchy classification.

4.4 Income tax

The Group is subject to income taxes. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

4.5 Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed. To the extent practical, models use only observable data; however areas such as credit risk, volatilities and correlations require directors to make estimates.

4.5.1 Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates and foreign currency exchange rates and expected price volatilities and correlations.

(All amounts are in thousands of Ghana cedis)

4. Critical accounting estimates and judgements *(continued)*

4.5 Fair value of financial instruments *(continued)*

4.5.1 Valuation models *(continued)*

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

5. Property and equipment

- **Reconciliation of carrying amount**

The Company	Motor vehicles	Equipment, fittings and furniture	Capital work in progress	Total
Cost				
Balance at 1 January 2015	505	412	-	917
Additions	347	69	269	685
Balance at 31 December 2015	852	481	269	1,602
Balance at 1 January 2016	852	481	269	1,602
Additions	597	55	-	652
Disposals	(312)	-	-	(312)
Write off	-	-	(269)	(269)
Balance at 31 December 2016	1,137	536	-	1,673
Accumulated depreciation	-	-	-	
Balance at 1 January 2015	249	195	-	444
Depreciation	159	102	-	261
Balance at 31 December 2015	408	297	-	705
Balance at 1 January 2016	408	297	-	705
Depreciation	293	90	-	383
Disposals	(244)	-	-	(244)
Balance at 31 December 2016	457	387	-	844
Carrying amounts				
At 1 January 2015	256	217	-	473
At 31 December 2015	444	184	269	897
At 31 December 2016	**680**	**149**	**-**	**829**

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

5. Property and equipment *(continued)*

- **Reconciliation of carrying amount** *(continued)*

The Group	Leasehold property	Motor vehicles	Equipment, fittings and furniture	Capital work in progress	Total
Cost					
Balance at 1 January 2015	3,417	4,658	7,586	8,556	24,217
Additions	544	2,236	2,724	6,413	11,917
Transfer from capital work in progress	8,824	-	-	(8,824)	-
Transfer from investment properties (Note 7)	-	-	-	3,635	3,635
Disposals	-	(432)	(4)		(436)
Balance at 31 December 2015	12,785	6,462	10,306	9,780	39,333
Balance at 1 January 2016	12,785	6,462	10,306	9,780	39,333
Additions	570	3,808	2,742	5,675	12,795
Disposals	-	(451)	-	-	(451)
Write off	-	-	(361)	(564)	(925)
Translation difference	-	5	10		15
Balance at 31 December 2016	13,355	9,824	12,697	14,891	50,767
Accumulated depreciation				-	
Balance at 1 January 2015	858	3,035	3,164	-	7,057
Depreciation	443	1,090	1,723	-	3,256
Disposals		(432)	(4)	-	(436)
Balance at 31 December 2015	1,301	3,693	4,883	-	9,877
Balance at 1 January 2016	1,301	3,693	4,883	-	9,877
Depreciation	511	1,771	1,700	-	3,982
Disposals	-	(427)	-	-	(427)
Write off	-	-	(168)	-	(168)
Translation difference	-	6	6	-	12
Balance at 31 December 2016	1,812	5,043	6,421		13,276
Carrying amounts					
At 1 January 2015	2,559	1,623	4,422	8,556	17,160
At 31 December 2015	11,484	2,769	5,423	9,780	29,456
At 31 December 2016	**11,543**	**4,781**	**6,276**	**14,891**	**37,491**

(All amounts are in thousands of Ghana cedis)

5. Property and equipment *(continued)*

Profit on disposal of property and equipment is as follows

	The Company		The Group	
	2016	2015	**2016**	2015
Cost	**312**	-	**451**	436
Less: Accumulated depreciation	**(244)**	-	**(427)**	(436)
Net book value	**68**	-	**24**	-
Less: Proceeds on disposal	**(89)**	-	**(200)**	(178)
Profit on disposal	**(21)**	-	**(176)**	(178)

6. Intangible assets

Reconciliation of carrying amount

	The Company		The Group	
	2016	2015	**2016**	2015
Cost				
Balance at 1 January	-	-	**390**	366
Additions	-	-	**387**	24
Write off	-	-	**(18)**	-
Balance at 31 December	-	-	**759**	390
Accumulated amortisation and impairment losses				
Balance at 1 January	-	-	**88**	55
Amortisation	-	-	**4**	5
Impairment loss	-	-	-	28
Balance at 31 December	-	-	**92**	88
Carrying amounts				
At 1 January	-	-	**302**	311
At 31 December	-	-	**667**	302

7. Investment properties

Reconciliation of carrying amount

	The Company		The Group	
	2016	2015	**2016**	2015
Balance at 1 January	-	-	**130,993**	82,339
Acquisitions	-	-	**2,247**	-
Subsequent expenditure	-	-	**34,830**	41,602
Transfer (to)/from property and equipment (Note 5)	-	-	-	(3,635)
Change in fair value	-	-	**4,363**	10,687
Exchange difference on valuation	-	-	**3,804**	-
Balance at 31 December	-	-	**176,237**	130,993

The fair values of the Group's investment properties were derived by an independent valuer using the sales prices of comparable properties in close proximity and adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is rental income per square foot. As set out in note 4.3 the basis for fair value estimation of investment properties is considered as level 2 of the fair value hierarchy.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

8. Investment in subsidiaries

	The Company		The Group	
	2016	2015	**2016**	2015
Enterprise Insurance Company Limited	**17,715**	17,715	**-**	-
Enterprise Life Assurance Company Limited	**383**	383	**-**	-
Enterprise Trustees Limited	**4,312**	4,312	**-**	-
Enterprise Properties Limited	**8,152**	8,152	**-**	-
	30,562	30,562	**-**	-

Name of subsidiary	Nature of Activity	Country of incorporation / and principal place of business	Percentage interest held by the Company	
			2016 (%)	2015 (%)
Enterprise Insurance Company Limited	Non life insurance underwriting	Ghana	60	60
Enterprise Life Assurance Company Limited	Life assurance underwriting	Ghana	51	51
Enterprise Trustees Limited	Pension fund management	Ghana	60	60
Enterprise Properties Limited	Real estates	Ghana	100	100

The remaining shares are held by Sanlam Emerging Markets Limited (non controlling interest).

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. None of the subsidiaries issued preference shares during the year ended 31 December 2016 (2015: Nil).

Total comprehensive income attributable to non controlling interest

	2016	2015
Profit for the year	**33,562**	23,995
Foreign currency translation reserve	**12**	1,115
	33,574	25,110

The total non controlling interest for the year ended 31 December 2016 is GH¢82.3 million (2015: GH¢69.2 million). This comprise; GH¢59.0 million (2015: GH¢48.9 million) for Enterprise Life Assurance Company Limited, GH¢20.5 million (2015: GH¢18.5 million) for Enterprise Insurance Company Limited and GH¢2.9 million (2015: GH¢1.8 million) for Enterprise Trustees Limited.

Significant restrictions
Significant restrictions relates to statutory deposit not available for use in the day to day operations of companies within the group licensed to underwrite life and non life insurance contracts in Ghana in accordance with section 73 of the Insurance Act 2006, (Act 724).

The summarised financial information for each subsidiary that has non controlling interests that are material to the group before any intra group eliminations, are set out on the next page.

Transactions with non controlling interests are set out in note 27.

Notes (continued)

(All amounts are in thousands of Ghana cedis)

8. Investment in subsidiaries *(continued)*

Summarised statement of financial position	Enterprise Insurance Company Limited 2016	Enterprise Insurance Company Limited 2015	Enterprise Life Insurance Company Limited 2016	Enterprise Life Insurance Company Limited 2015
Current				
Assets	**110,219**	88,508	**420,601**	333,797
Liabilities	**(63,792)**	(44,962)	**(28,621)**	(21,334)
Total current net assets	**46,427**	43,546	**391,980**	312,463
Non current				
Assets	4,784	2,626	63,740	51,497
Liabilities	**-**	-	**(338,167)**	(264,557)
Total non current net assets/(liabilities)	**4,784**	2,626	**(274,427)**	(213,060)
Net assets	**51,211**	46,172	**117,553**	99,403
Summarised income statement				
Insurance premium revenue	**79,447**	57,281	**228,645**	196,431
Profit before income tax and national fiscal stabilisation levy profit	**25,849**	12,970	**51,033**	40,710
Profit after income tax and national fiscal stabilisation levy profit	**17,021**	9,237	**49,720**	38,298
Other comprehensive income	**-**	-	**431**	1,718
Total comprehensive income	**17,021**	9,237	**50,151**	40,016
Total comprehensive income allocated to non controlling interests	**-**	3,695	**-**	19,880
Dividend paid to non controlling interests	**4,793**	-	**15,680**	10,780
Summarised cash flows				
Cash flows from operating activities:				
Cash flows from operations	**31,729**	(11,167)	**57,835**	46,134
Investment income received	**11,083**	10,135	**64,515**	52,881
Income tax paid	**(5,476)**	(5,198)	**(169)**	-
National fiscal stabilisation levy paid	**(1,006)**	(899)	**(3,312)**	(2,891)
Net cash (used in)/generated from operating activities	**36,330**	(7,129)	**118,869**	96,124
Net cash (used in)/generated from in investing activities	**(19,662)**	(1,332)	**(186,168)**	(8,944)
Net cash used in financing activities	**(11,982)**	-	**(24,160)**	(22,000)
Net (decrease)/increase in cash and cash equivalents	**4,686**	(8,461)	**(91,459)**	65,180
Cash and cash equivalents at 1 January	**27,522**	35,983	**146,160**	80,980
Cash and cash equivalents at 31 December	**32,208**	27,522	**54,701**	146,160

The information above is the amount before inter company eliminations.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

9. Investment securities

	The Company		The Group	
	2016	2015	**2016**	2015
Equity securities:				
- Listed equity securities	**1,599**	4,102	**42,431**	45,558
- Unlisted equity securities	**3**	12	**3**	12
Total equity securities	**1,602**	4,114	**42,434**	45,570
Unlisted debt securities	**415**	12,382	**401,294**	321,547
	2,017	16,496	**443,728**	367,117

The movement in financial assets at fair value through profit or loss is summarised in the table below.

	The Company		The Group	
Equity securities	**2016**	2015	**2016**	2015
Balance at 1 January	**4,114**	4,826	**45,570**	48,553
Purchases of equity securities	**-**	-	**5,446**	16,355
Sale of equity securities	**(2,076)**	-	**(4,057)**	(12,832)
Net loss on equity securities	**(436)**	(712)	**(4,525)**	(6,506)
Balance at 31 December	**1,602**	4,114	**42,434**	45,570

	The Company		The Group	
Unlisted debt securities	**2016**	2015	**2016**	2015
Fixed deposits	**-**	-	**223,724**	189,154
Bonds	**-**	-	**72,586**	15,488
Treasury bills	**415**	12,382	**104,984**	116,905
	415	12,382	**401,294**	321,547

Fixed deposits are held with financial institutions. Treasury bills and bonds held are issued by the government of the respective jurisdictions in which the entities within the Group operates.

10. Loans and receivables

	The Company		The Group	
	2016	2015	**2016**	2015
Staff loans	**1**	14	**7**	43
Prepayment	**166**	-	**4,298**	1,476
Deferred reinsurance cost	**-**	-	**1,854**	-
Other receivables	**334**	-	**16,580**	13,765
	501	14	**22,739**	15,284

The maximum amount of staff loans during the year did not exceed GH¢43,000 (2015: GH¢45,000).

All loans and receivables are current and their carrying values approximate their fair value.

Notes (continued)

(All amounts are in thousands of Ghana cedis)

11. Deferred acquisition cost

	The Group	
	2016	2015
Balance at 1 January	-	-
Commission expense deferred	6,012	-
Balance at 31 December	6,012	-

12. Re insurance assets and liabilities

	The Group	
	2016	2015
Due from re insurers	21,266	28,717

Due from re insurers are receivable within twelve months. The carrying value of amount due from reinsurers approximates their fair value.

	The Group	
	2016	2015
Due to re insurers	13,901	13,073

Due to re insurers are payable within twelve months. The carrying value of amount due to reinsurers approximates their fair value.

13. Cash and cash equivalents

	The Company		The Group	
	2016	2015	**2016**	2015
Cash	**-**	1	**66**	19
Bank balances	**37,833**	15,150	**100,885**	57,426
Cash and cash equivalents in the statement of financial position	**37,833**	15,151	**100,951**	57,445
Treasury bills with original maturities less than 3 months	**-**	12,382	**29,681**	148,244
	37,833	27,533	**130,632**	205,689
Less: restricted cash	**-**	-	**-**	(280)
Cash and cash equivalents in the statement of cash flows	**37,833**	27,533	**130,632**	205,409

Restricted cash represents mandatory statutory deposit not available for use in the day to day operations of companies within the group licensed to underwrite life and non life insurance contracts in Ghana in accordance with section 73 of the Insurance Act 2006, (Act 724).

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

14. Stated capital

The authorised shares of the Company are 200,000,000 (2015: 200,000,000) ordinary shares of no par value. The issued ordinary shares at 31 December 2016 and 31 December 2015 is as follows:

	No. of shares		Proceeds	
	2016	2015	**2016**	2015
Balance at 1 January	**133,270,825**	131,900,825	**35,920**	33,169
Issue during the year:				
- Transfer from reserves (share option)	**133,420**	436,987	**327**	866
- Cash	**416,580**	933,013	**1,021**	1,885
Balance at 31 December	**133,820,825**	133,270,825	**37,268**	35,920

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares.

15. Contingency reserves

	The Group	
	2016	2015
Balance at 1 January	18,830	15,800
Transfer from retained earnings / income surplus	6,316	3,030
Balance at 31 December	25,146	18,830

The life and non life insurance companies within the Group 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 2006 (Act 724).

16. Currency translation reserve

Currency reserves represents foreign exchange difference arising from translation of a foreign operation's financial results presented in Dalasi to the Group's presentation currency. Movements in these reserves are shown in the statements of changes in equity.

17. Retained earnings account

The retained earnings account represents the earnings retained. The amount available for distribution to the members of the Company is subject to the requirements of the Companies Act 1963 (Act 179).

18. Share option reserve

This reserve represents increase in equity in respect of share based payment transactions.

19. Life fund Insurance contract liabilities

	The Group	
	2016	2015
Balance at 1 January	264,557	195,238
Charge to income statement	73,525	69,319
Translation difference	85	-
Balance at 31 December	338,167	264,557

An independent actuary carried out the valuation of the Life Fund as at 31 December 2016 and 31 December 2015.

(All amounts are in thousands of Ghana cedis)

20. Provision for unearned premium

	The Group	
	2016	2015
Balance at 1 January	24,560	15,518
Increase in provision	6,740	9,042
Balance at 31 December	31,300	24,560

Provision for unearned premium represent the portion of non life insurance contracts premium written in periods up to the accounting date, which relate to the unexpired terms of policies in force at the reporting date.

21. Outstanding claims

	The Group	
	2016	2015
Balance at 1 January	4,181	5,822
Claims incurred	76,871	79,999
Claims paid	(76,753)	(81,974)
Incurred but not reported provision	2,936	334
Balance at 31 December	7,235	4,181

This is analysed as follows:

	The Group	
	2016	2015
Gross outstanding claims	16,111	57,420
Reinsurance recoveries	(12,776)	(54,203)
Incurred but not reported provision	3,900	964
	7,235	4,181

Outstanding claims are due within twelve months. The carrying value of outstanding claims approximates their fair value.

22. Trade and other payables

	The Company		The Group	
	2016	2015	**2016**	2015
Trade payables	**-**	-	**15,845**	13,390
National fiscal stabilisation levy (Note 32)	**-**	-	**324**	763
Accrued expenses and other payables	**3,373**	2,902	**26,093**	18,003
Dividend payable	**-**	-	**7,840**	-
	3,373	2,902	**50,102**	32,156

All trade and other payables are current and their carrying values approximate their fair value.

23. Deferred commission income

	The Group	
	2016	2015
Balance at 1 January	-	-
Commission income deferred	3,263	-
Balance at 31 December	3,263	-

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

24. Deferred income tax

	The Company		The Group	
	2016	2015	**2016**	2015
Deferred tax assets	**201**	2,697	**2,597**	3,906
Deferred tax liability	**-**	-	**2,535**	11,606

Deferred income tax is calculated using the enacted income tax rate of 25% (2015: 25%). Deferred income tax assets and liabilities and deferred income tax (charge)/credit in the income statement and the statement of changes in equity of the Company and the Group are attributable to the following items:

The Company	At 1 January	Charged/(credit) to income statement	At 31 December
Year ended 31 December 2016			
Deferred tax assets arising from:			
Accelerated depreciation	55	(70)	**(15)**
Other deductible temporary difference	2,642	(2,426)	**216**
	2,697	(2,496)	**201**
Year ended 31 December 2015			
Deferred tax assets arising from:			
Accelerated depreciation	155	(100)	55
Other deductible temporary difference	2,411	231	2,642
	2,566	131	2,697

The Group	At 1 January	Charged/(credit) to income statement	At 31 December
Year ended 31 December 2016			
Deferred tax assets arising from:			
Accelerated depreciation	100	138	**238**
Other deductible temporary difference	3,806	(1,447)	**2,359**
	3,906	(1,309)	**2,597**
Deferred tax liabilities arising from:			
Accelerated depreciation	(81)	3,998	**3,917**
Other deductible temporary difference	(11,525)	5,073	**(6,452)**
	(11,606)	9,071	**(2,535)**
Year ended 31 December 2015			
Deferred tax assets arising from:			
Accelerated depreciation	(77)	177	100
Other deductible temporary difference	3,453	353	3,806
	3,376	530	3,906
Deferred tax liabilities arising from:			
Accelerated depreciation	743	(824)	(81)
Other deductible temporary difference	(12,374)	849	(11,525)
	(11,631)	25	(11,606)

(All amounts are in thousands of Ghana cedis)

25. Loans and borrowings

	The Company		The Group	
	2016	2015	**2016**	2015
Non current liabilities				
Secured bank loan	-	-	**40,208**	-
Current liabilities				
Accrued interest payable on secured bank loan	-	-	**217**	-
Total	-	-	**40,425**	-

Enterprise Properties Limited obtained a long term facility of up to US$15 million in 2016 (2015: Nil) from Standard Chartered Bank Limited to support the construction of an office complex, known as 'Advantage Place', on the 7th Avenue at Ridge West, Accra. The loan is to be repaid in 10 semi annual repayments commencing on the date falling 30 months after the first utilization under the Facility. Interest payments is on the last day of each Interest Period which is 6 months after first draw down. The interest rate applicable is the aggregate of margin (8% per annum) and libor. The facility is secured on the first ranking real estate mortgage over the buildings, improvements and land interest comprised in Advantage Place. Seventh Avenue Properties Limited and Enterprise Group Limited are the first and second guarantors, respectively.

26. Inventories

	The Company		The Group	
	2016	2015	**2016**	2015
Caskets and accessories	-	-	260	-

27. Related parties

The Group is controlled by Enterprise Group Limited, which is also the ultimate parent. The Company's shareholding in the other subsidiaries making up the Group is disclosed in Note 8. Sanlam Emerging Market is related to the Group through its common share holdings in Enterprise Life Assurance Company Limited, Enterprise Insurance Company Limited and Enterprise Trustees Limited respectively. The Group was also related to Databank Financial Services through common directorship in 2015. The following transactions were carried out with related parties:

The Company	**2016**	2015
Expenses settled by:		
- Enterprise Group Limited on behalf of Enterprise Insurance Company Limited	**148**	140
- Enterprise Group Limited on behalf of Enterprise Life Assurance Company Limited	**542**	122
- Enterprise Group Limited on behalf of Enterprise Properties Limited	**24,209**	31,262
- Enterprise Group Limited on behalf of Enterprise Trustees Limited	**20**	174
Dividend paid by		
- Enterprise Insurance Company Limited to Enterprise Group Limited	**7,190**	-
- Enterprise Life Assurance Company Limited to Enterprise Group Limited	**16,320**	11,220
The Group		
Expenses settled by:		
- Sanlam Emerging Market Limited for Enterprise Life Assurance Company Limited	**17,781**	219
- Sanlam Emerging Market Limited for Enterprise Insurance Company Limited	**30**	128
Fees for asset management services provided by:		
- Databank Financial Services to Enterprise Life Assurance Company Limited	-	1,064
Dividend:		
- Enterprise Life Assurance Company Limited to Sanlam Emerging Market Limited	**15,680**	10,780
- Enterprise Insurance Company Limited to Sanlam Emerging Market Limited	**4,795**	-

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

27. Related party transactions *(continued)*

Year end balances arising from transactions with the related parties are as follows:

Amount due to related parties	The Company 2016	2015	The Group 2016	2015
Enterprise Life Assurance Company Limited	**50**	-	**-**	-
Sanlam Emerging Market Limited	**-**	-	**820**	5,901
	50	-	**820**	5,901

Amount due from related parties	The Company 2016	2015	The Group 2016	2015
Amount due from related parties	**193**	419	**-**	-
Amount due from related parties	**65,829**	58,677	**-**	-
Amount due from related parties	**-**	121	**-**	-
Amount due from related parties	**30**	15	**-**	-
	66,052	59,232	**-**	-

The amounts due from and due to related parties are due within twelve months. The payables bear no interest. The Amount due from related parties was not impaired at 31 December 2016 and 31 December 2015.

Directors' emoluments are disclosed in Note 31.

Dividend payable to Sanlam Emerging Markets Limited is disclosed in Note 22.

Key management personnel

The compensation paid to or payable to key management for employee services is shown below:

	The Company 2016	2015	The Group 2016	2015
Salaries and other short term benefits	**4,690**	4,244	**14,841**	11,441
Share based payment	**49**	-	**161**	-
Employer's pension fund contribution	**697**	440	**2,431**	1,313
Other long term employment benefits	**754**	-	**2,914**	-
	6,190	4,684	**20,347**	12,754

28. Investment income

	The Company 2016	2015	The Group 2016	2015
Fair value through profit or loss:				
Dividend income	**90**	85	**2,039**	2,166
Net fair value (loss)/gain in equity securities	**(436)**	(712)	**(4,526)**	(6,506)
Dividend from subsidiaries	**23,510**	11,220	**-**	-
Interest on unlisted debt securities	**1,273**	2,041	**82,213**	67,888
Profit on sale of equity securities	**49**		**49**	-
Bank interest	**589**	457	**1,484**	751
	25,075	13,091	**81,259**	64,299

Notes (continued)

(All amounts are in thousands of Ghana cedis)

29. Other income

	The Company		The Group	
	2016	2015	**2016**	2015
Exchange gains	**7,696**	10,303	**13,966**	13,559
Profit on disposal of property and equipment (Note 5)	**21**	-	**104**	178
Rental income	**-**	-	**1,601**	2,164
Sundry income	**-**	-	**11,161**	4,706
	7,717	10,303	**26,832**	20,607

30. Insurance benefits and claims

	The Group	
	2016	2015
Non life insurance		
Claims incurred	**76,871**	79,999
Management expenses charged	**10,576**	8,403
Gross claims incurred	**87,447**	88,402
Reinsurance recoveries	**(47,956)**	(52,400)
Incurred but not reported provision	**2,936**	334
	42,427	36,336
Life insurance:		
Death claims	**1,059**	910
Funeral	**17,144**	15,911
Policy surrenders, terminations and withdrawals	**67,636**	50,673
Individual life	**85,839**	67,494
Group benefits	**5,419**	4,972
	91,258	72,466
Total insurance benefits and claims	**133,685**	108,802

31. Operating expenses

The following items have been charged in arriving at operating profit

	The Company		The Group	
	2016	2015	**2016**	2015
Directors' emoluments	**3,290**	3,378	**5,661**	5,816
Auditor's remuneration	**61**	49	**525**	390
Depreciation and amortisation	**383**	261	**3,986**	3,261
Staff cost	**6,230**	5,283	**48,900**	34,515
Staff cost include:				
Salaries and other short term employment benefit	**4,623**	4,724	**41,953**	30,926
Employer's pension fund contribution	**853**	559	**4,033**	3,589
Other long term employment benefits	**754**	-	**2,914**	-
	6,230	5,283	**48,900**	34,515

The number of staff employed by the Company and the Group were as follows:

	The Company		The Group	
	2016	2015	**2016**	2015
Staff numbers	**17**	15	**374**	344

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

32. National fiscal stabilisation levy

The Group Year ended 31 December 2016	At 1 January	Charged to profit or loss	Payments	At 31 December
Up to 2015	763		(763)	**-**
2016		3,879	(3,555)	**324**
	763	3,879	(4,318)	**324**
Year ended 31 December 2015				
Up to 2014	1,810	-	(1,810)	**-**
2015	-	2,743	(1,980)	**763**
	1,810	2,743	(3,790)	**763**

The national fiscal stabilisation levy (NFSL) is a levy of 5% applied on profit before tax for certain companies including financial institutions operating in Ghana.

33. Income tax expense

	The Company **2016**	 2015	The Group **2016**	 2015
Current income tax	**1,963**	1,005	**11,647**	5,286
Deferred tax charge/(credit)	**2,496**	(131)	**(7,762)**	(555)
	4,459	874	**3,885**	4,731

Current tax assets and liabilities
The Company

Year ended 31 December 2016	At 1 January	Payments	Charged to profit or loss	At 31 December
Year of assessment				
Up to 2015	1,005	-	-	**1,005**
2016	-	(143)	1,963	**1,820**
	1,005	(143)	1,963	**2,825**
Year ended 31 December 2015				
Year of assessment				
Up to 2015	-	-	1,005	**1,005**

The Group Year ended 31 December 2016	At 1 January	Payments	Charged to profit or loss	At 31 December
Year of assessment				
Up to 2014	(1,631)			**(1,631)**
2015	3,312	(92)		**3,220**
2016	(632)	(6,156)	11,647	**4,859**
Tax credit		(446)		**(446)**
Translation difference				**24**
	1,049	(6,694)	11,647	**6,026**
Current income tax assets	230			**137**
Current income tax liabilities	1,279			**6,163**

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

33. Income tax expense *(continued)*

The Group

Year ended 31 December 2016	At 1 January	Payments	Charged to profit or loss	At 31 December
Year of assessment				
Up to 2014	-	(1,631)	-	**(1,631)**
2015	1,462	(3,436)	5,286	**3,312**
Tax credit	(381)	(251)	-	**(632)**
	1,081	(5,318)	5,286	**1,049**
Current income tax assets	596			**230**
Current income tax liabilities	1,677			**1,279**

The tax position for the remaining years of assessment is yet to be agreed with the tax authorities.

The Group and the Company's profit before tax differ from the theoretical amount as follows:

	The Company 2016	The Company 2015	The Group 2016	The Group 2015
Profit before income tax	**20,573**	14,151	**75,765**	59,041
Tax rate of 25% (2015: 25%)	**5,143**	3,538	**18,941**	14,760
Adjusted for:				
Tax effect of income not subject to tax	**(5,887)**	(2,812)	**(56,329)**	(51,854)
Tax effect of losses not carried forward for tax purposes	**-**	-	**2,077**	3,855
Tax effect of expenses not deductible for tax purposes	**5,203**	148	**39,196**	37,970
	4,459	874	**3,885**	4,731

34. Dividend payable

	The Company 2016	The Company 2015	The Group 2016	The Group 2015
At 1 January	**-**	-	**-**	-
Amount declared during the year	**6,691**	3,303	**27,164**	10,780
Amount paid	**(6,691)**	(3,303)	**(19,324)**	(10,780)
At 31 December	**-**	-	**7,840**	-

35. Net insurance premium

The Group

	2016 Gross premium	2016 Reinsurance ceeded	2016 Net premium	2015 Gross premium	2015 Reinsurance ceeded	2015 Net premium
Non life insurance:						
Motor	70,729	(4,962)	**65,767**	51,851	(4,667)	47,184
Fire	28,894	(21,309)	**7,585**	24,832	(16,000)	8,832
Marine	3,764	(2,153)	**1,611**	2,521	(1,201)	1,320
General Accident	32,059	(20,835)	**11,224**	21,792	(12,805)	8,987
	135,446	(49,259)	**86,187**	100,996	(34,673)	66,323
Life insurance:						
Individual life	210,648	(422)	**210,226**	183,201	(813)	182,388
Group life	28,035	(9,616)	**18,419**	20,249	(6,206)	14,043
	238,683	(10,038)	**228,645**	203,450	(7,019)	196,431
	374,129	**(59,297)**	**314,832**	304,446	(41,692)	262,754

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

36. Commission expense

	The Group	
	2016	2015
Commission expense	**58,224**	51,055
Commission expense deferred	**(6,012)**	-
	52,212	51,055

37. Commission income

	The Group	
	2016	2015
Commission income	**11,328**	8,985
Commission income deferred	**(3,263)**	-
	8,065	8,985

38. Reconciliation of profit before income tax to cash generated from operations

	The Company		The Group	
	2016	2015	**2016**	2015
Profit for the year	**16,114**	13,277	**68,001**	51,567
Adjustments for:				
Depreciation and amortisation	**383**	261	**3,982**	3,261
Impairment of intangible assets	**-**	-	**-**	28
Write off of property and equipment and intangible assets	**269**	-	**775**	-
Impairment of loans and receivables	**-**	-	**1,500**	-
Share base payment	**49**	518	**161**	977
Fair value gain on investment properties	**-**	-	**(4,363)**	(10,687)
Exchange differences on valuation of investment properties	**-**	-	**(3,804)**	-
Investment income	**(25,075)**	(13,091)	**(81,259)**	(64,299)
Loss/(profit) on sale of property and equipment	**(21)**	-	**(176)**	(178)
Foreign exchange effect on consolidation	**-**	-	**-**	1,718
Transfer to life fund	**-**	-	**73,525**	69,319
National fiscal stabilisation levy	**-**	-	**3,879**	2,743
Income tax expense	**4,459**	874	**3,885**	4,731
Changes in working capital:				
Unearned premium	**-**	-	**6,740**	9,042
Outstanding claims	**-**	-	**3,054**	(1,641)
Deferred commission income	**-**	-	**3,263**	-
Amount due to re insurers	**-**	-	**828**	7,464
Amount due to related parties	**50**	-	**(5,081)**	783
Inventories	**-**	-	**(260)**	-
Loans and receivables	**(487)**	14	**(7,455)**	(9,068)
Deferred acquisition costs	**-**	-	**(6,012)**	-
Amount due from related parties	**(6,820)**	(41,537)	**-**	-
Trade and other payables	**471**	(440)	**17,834**	11,158
Amounts due from re insurers	**-**	-	**5,951**	(23,339)
Net (sale)/purchase of operating assets:				
Equity securities	**2,512**	-	**(953)**	(3,523)
Unlisted debt securities	**(268)**	1,421	**(199,495)**	(14,165)
Investment properties	**-**	-	**(37,077)**	(41,602)
Cash used in operations	**(8,364)**	(38,703)	**(152,557)**	(5,711)

(All amounts are in thousands of Ghana cedis)

39. Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. All operating segments meet the definition of reportable segments under IFRS 8.

The Group is organised into six operating segments. These segments are Non life insurance business; Life assurance business; Pension administration; Real estate; Funeral services and Investments.

Year ended 31 December 2016

	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Total
Net premium earned	79,447	228,645	-	-	-	-	308,092
Net investment and other income	14,713	75,060	9,144	4,241	14	9,282	112,454
Net income	94,160	303,705	9,144	4,241	14	9,282	420,546
Increase in Life fund	-	(73,525)	-	-	-	-	(73,525)
Net claim incurred	(42,427)	(91,258)	-	-	-	-	(133,685)
Net commission	(4,347)	(39,800)	-	-	-	-	(44,147)
Operating expenses	(20,944)	(43,432)	(5,420)	(10,428)	(1,446)	(11,754)	(93,424)
Profit/(loss) before tax	26,442	55,690	3,724	(6,187)	(1,432)	(2,472)	75,765
National Fiscal Stabilisation Levy	(1,292)	(2,587)	-	-	-	-	(3,879)
Income tax (expense)/credit	(7,536)	1,322	(1,084	7,920)	(48)	(4,459)	(3,885)
Profit after tax	17,614	54,425	2,640	1,733	(1,480)	(6,931)	68,001
Total assets	114,940	481,485	9,090	160,320	4,869	41,381	812,085
Total liabilities	63,601	362,466	1,862	55,461	4,323	6,198	493,911

Year ended 31 December 2015

	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Total
Net premium earned	57,281	196,431	-	-	-	-	253,712
Net investment and other income	12,133	59,316	5,291	7,580	-	11,273	95,593
Net income	69,414	255,747	5,291	7,580	-	11,273	349,305
Increase in Life fund	-	(69,319)	-	-	-	-	(69,319)
Net claim incurred	(36,336)	(72,466)	-	-	-	-	(108,802)
Net commission	(5,044)	(37,026)	-	-	-	-	(42,070)
Operating expenses	(15,064)	(35,519)	(4,087)	(6,514)	(708)	(8,181)	(70,073)
Profit/(loss) before tax	12,970	41,417	1,204	1,066	(708)	3,092	59,041
National Fiscal Stabilisation Levy	(649)	(2,094)	-	-	-	-	(2,743)
Income tax (expense)/credit	(3,084)	(366)	(331)	(2,494)	48	1,496	(4,731)
Profit after tax	9,237	38,957	873	(1,428)	(660)	4,588	51,567
Total assets	91,134	384,065	6,348	115,422	1,228	35,253	633,450
Total liabilities	44,962	282,806	1,769	20,784	3,085	3,907	357,313

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

40. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

	The Company		The Group	
	2016	2015	**2016**	2015
Profit attributable to equity holders of the company (GH¢ 000)	**16,114**	13,277	**34,439**	27,572
Weighted average number of ordinary shares in issue	**133,820,825**	133,270,825	**133,820,825**	133,270,825
Basic earnings per share	**0.120**	0.100	**0.257**	0.207

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's potential dilutive shares relates to share options. Outstanding share options at 31 December 2016 and 31 December 2015 is set out in note 41.

	The Company		The Group	
	2016	2015	**2016**	2015
Dilutive earnings per share	**0.119**	0.098	**0.255**	0.204

41. Share based payments

Enterprise Group Limited's ordinary shares are granted to directors and selected employees of the Group through a share option scheme. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. Options are conditional on the employee completing three years' service (the vesting period). The options are exercisable starting three years from the grant date, there are no other vesting conditions; the options have a contractual option term of five years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are follows.

	2016		2015	
The Company	**Average exercise price per share**	**Options (thousands)**	Average exercise price per share	Options (thousands)
At 1 January	-	**1,753**	0.28	2,040
Granted	-	**-**	2.00	1,203
Forfeited	-	-	-	(120)
Exercised	**0.28**	**(550)**	0.28	(1,370)
At 31 December		**1,203**		1,753

Options exercised in 2016 resulted in 550,000 shares (2015: 1,370,000) being issued at a weighted average price of GH¢0.28 each (2015: GH¢0.28). The related weighted average share price at the time of exercise was GH¢2.45 (2015: GH¢2.02) per share. The value of the Group's outstanding share options at 31 December 2016 is GH¢ 0.352 million (2015: GH¢0.518 million).

(All amounts are in thousands of Ghana cedis)

41. Share base payments *(continued)*

The total expenses recognised in respect of the share option scheme are as follows:

	The Company		The Group	
	2016	2015	**2016**	2015
Value of Employee Services	**49**	518	**161**	977

Share option outstanding at 31 December 2016 will expire in September 2022 (2015; September 2022).

42. Contingencies

The Group is presently involved in certain legal proceedings. These court cases arose in the normal course of business. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for in the outstanding claims balance at 31 December 2016.

43. Capital commitments

The Group has capital commitments of GH¢8 million (2015: GH¢31 million) in respect of capital expenditures contracted for at the reporting date. The commitments relates to the construction of the Advantage Place.

44. Subsequent events

There were no significant events after the reporting date that needs to be adjusted or disclosed.

Shareholders' Information

i Directors shareholding at 31 December 2016

Name of director	Number of Shares Held
George Otoo	531,700
Cleland Cofie Bruce Jnr.	116,185
Keli Gadzekpo	32,500
Mrs. Margaret Clarke Kwesie	25,000
Martin Eson Benjamin	4,110

ii Analysis of Shareholding at 31 December 2016

	Number of Shareholders	Number of Shares	Percentage Holdings (%)
1 – 1,000	1,710	636,593	0.48
1,001 – 5,000	1,043	2,730,894	2.04
5,001 – 10,000	359	2,587,505	1.93
10,001 AND OVER	527	127,865,833	95.55

iii List of twenty largest shareholders as at 31 December 2016

NO	Name of Share holder	Number of Shares	Percentage Holdings (%)
1	VENTURES AND ACQUISITIONS LIMITED	46,628,740	34.84
2	STD NOMS/CS SEC (US) LLC/AFRICA OPPT FUND L.P	15,159,237	11.33
3	CLEARTIDE ASSET HOLDINGS LTD.	12,967,878	9.69
4	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	8,292,318	6.20
5	SCGN/SSB& TRUST AS CUST FOR KIMBERLITE FRONTIER, AFRICA MASTER FUND, L.P-RCKM	7,758,239	5.80
6	SCGN/'EPACK INVESTMENT FUND LIMITED TRANSACTION E I F L	4,541,055	3.39
7	SCGN/CITIBANK NEW YORK RE NORGES BANK	3,436,600	2.57
8	MAXWELL, JANET SNOWDEN	2,967,500	2.22
9	STD NOMS TVL PTY/ BNYM SANV/VANDERBILT UNIVERSITY	1,370,125	1.02
10	SCGN/SSB&TRUST AS CUST FOR CONRAD N HILTON, FOUNDATION-00FG	1,138,606	0.85
11	OTENG-GYASI, ANTHONY	1,000,000	0.75
12	NTHC LIMITED	819,915	0.61
13	UNIVERSAL INSURANCE CONSULTANTS STAFF PROVIDENT FU, ND	650,000	0.49
14	ESTATE OF DR. P. K. ANIM-ADDO,	625,000	0.47
15	GHANA INTERNATIONAL SCHOOL STAFF PF	600,000	0.45
16	DODOO, FRANCIS F.D	593,845	0.44
17	OTOO, GEORGE BANASCO	531,700	0.40
18	SCGN/DATABANK BALANCED FUND LIMITED	526,100	0.39
19	SCGN/GHANA MEDICAL ASS. PENSION FUND	512,500	0.38
20	STD NOMS/CS SEC (US) LLC/AFR OPPT CAYMAN LTD	464,982	0.35
	TOTAL	**110,584,340**	**82.64**
	OTHERS	23,236,485	17.36
	GRAND TOTAL	**133,820,825**	**100.00**

Certificate of Solvency in Respect of Life Policies (Regulation 12a)

I, G. T. Waugh certify that the liabilities in respect of life policies of Enterprise Life Assurance Company for the financial year ended 31 December 2016 do not exceed the amount of the life assurance fund as shown in the balance sheet.

The Company was financially sound on the statutory basis as at the valuation date, and in my opinion is likely to remain financially sound for the foreseeable future.

Embedded value analysis

Embedded Value (EV)

Margins in the reserving basis mean the net asset value of an insurance company does not necessarily provide a good indication of the company's value. The Embedded Value (EV) is intended to address this problem by placing a value on these margins. The EV is equal to:

- the adjusted net worth of the company.
- plus the value of future profits from in-force business.
- less the cost of required capital

The Net Asset Value (NAV) is defined as the excess value of all assets attributed to the business not required to back the liabilities.

The value of future profits from in-force business (VIF) is determined by projecting profits on the best estimate basis without margins, and discounting the results at the risk discount rate. The value derived is therefore the economic value of the margins in the reserves. A similar calculation is performed to determine the value of new business at the point of sale (VNB)

For the VIF and the VNB allowance is made for the cost of required capital (CoC). This represents the difference between the required capital and the discounted value of interest on the amount and the releases on an annual basis. The required capital has been set equal to the anticipated regulatory minimum capital when draft legislation is enacted.

Embedded Value Results

The embedded value has increased by GH¢68.99 million over the past year to date, as shown in the table below:

	2016 **GH¢'000**	2015 GH¢'000
Net Asset Value	**126,211**	100,667
Value of in-force business	**218,196**	174,736
Cost of Required Capital	**(5,060)**	(5,202)
Embedded Value	**339,346**	270,202

Embedded Value Earnings

The embedded value earnings are shown in the table below:

	2016 **GH¢'000**	2015 GH¢'000
Change in EV (excluding dividends)	**68,993**	43,050
Dividends declared	**24,160**	22,000
Decrease (Increase) in Capital	**(12,000)**	8,000
Embedded Value Earnings	**81,153**	73,050

Certificate of Solvency in Respect of Life Policies (Regulation 12a) (continued)

Analysis of Embedded Value Earnings

The analysis of embedded value earnings provides explanations and insights as to how and why the NAV and the VIF have changed over the reporting period. It also provides a check that the business is performing in line with expectations. A summary of the analysis is shown in the table below:

	VIF GH¢'000	CoC GH¢'000	NAV GH¢'000	EV GH¢'000
Roll forward to year end	42,609	(1,280)	5,268	46,597
Transfers to net worth	(45,880)	-	45,880	-
VNB	34,442	(768)	(4,661)	28,994
Experience profits	12,013	(281)	8,555	20,286
Actuarial basis changes	(11,705)	2,471	(5,490)	(14,724)
Embedded Value earnings	**31,459**	**142**	**49,552**	**81,153**

Key Assumptions

The assumptions are set based on estimates of future experience. These are derived from analyses of past experience for mortality, persistency and expenses. Allowance is made for future investment return at 17.55% p.a. (2015: 16.5% p.a.) and inflation at 13% p.a. (2015: 12% p.a.). The risk discount rate is 23% p.a. (2015: 22% p.a.).

G T Waugh MA FASSA

Statutory Actuary
22 March 2017

Enterprise Group Limited and Subsidiaries

PROXY FORM

I/WE ....

.... *being a member/ members of

Enterprise Group Limited hereby appoint ....

....* or failing him/her the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 8th August, 2017 and at any adjournment thereof.

*(Block Capitals Please)

The General Meeting hereby resolves the following

ORDINARY BUSINESS Ordinary Resolutions	FOR	AGAINST
1. To receive the financial statements of the Company (together with the reports of the directors and the auditors of the Company) for the year ended December 31, 2016.		
2. To re-elect the following retiring directors of the Company: a. George Otoo b. Prof. Angela Ofori-Atta		
3. To ratify the appointments of the following as directors of the Company: a. Mr. Daniel Larbi- Tieku b. Mr. Cleland Cofie Bruce Jnr. c. Mr. Fiifi Kwakye		
4. To authorise the directors of the Company to fix the remuneration of the auditors of the Company		
5. To approve the remuneration of the directors of the Company		
SPECIAL BUSINESS As Ordinary Resolutions	**FOR**	**AGAINST**
1. To approve and authorise the proposed renounceable rights issue to be undertaken by the Company to raise additional capital of up to the GH¢ equivalent of USD 50,000,000.		
2. To authorise the board of directors of the Company to determine the share price, number of offer shares, allotment and other modalities, and the duration of the proposed renounceable rights issue, taking into account market conditions, and subject to the Company's Regulations and applicable regulatory requirements.		
As Special Resolutions	**FOR**	**AGAINST**
3. To increase the authorised shares of the Company by amending and adopting Regulations 7 of the Company's Regulations.		
4. To increase the maximum number of directors of the Company from 9 to 11 by amending and adopting Regulation 83 of the Company's Regulations.		

Dated this ....day of 2017

Shareholder's Signature : ....

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IMPORTANT: - Before sending the attached form, please tear off this part and retain it - see over. A member who is unable to attend the Meeting is allowed by law to vote by proxy. The attached form has been prepared to enable you to exercise your vote if you cannot personally attend. 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. However to ensure that someone will be present at the Meeting to act as your proxy, the Chairman of the Meeting has been inserted as your proxy if the named person is unable to attend the Meeting. Please complete, sign and send the proxy form so that it reaches the address indicated in the Notice not later than 48 hours before the commencement time of the Meeting.

Please Affix
Stamp Here

First Fold Here

Second Fold Here

The Registrar
NTHC Limited
1st Floor, Martco House, Adabraka
P.O. Box KIA 9563
Airport
Accra, Ghana

Third Fold Here

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IMPORTANT: A member attending the meeting should not produce this form.

ENTERPRISE GROUP LIMITED
ANNUAL GENERAL MEETING

VOTING CARD

Venue : The College of Physicians and Surgeons, Accra

Date : Tuesday 8th August, 2017

Time : 10.00 a.m.

enterprise GROUP
Your Advantage

ENTERPRISE GROUP LIMITED
ANNUAL GENERAL MEETING

SHAREHOLDERS UPDATE CARD

I hereby mandate NTHC registrars to forward my dividends and correspondence to

Current Address: ....

Name of Bank: ....

Account No: | | | | | | | | | | | | | |

Account Holder's Name: ....

Tel: .... Email: .... Date: ....

Signature: .... Signature: ....
(For joint shareholders only)

enterprise GROUP
Your Advantage

(Kindly complete and return this section to:
NTHC REGISTRARS, 1st Floor, Martco House, Okai Mensah Link, Adabraka, P.O. Box KIA 9563, Airport, Accra)

ENTERPRISE GROUP LIMITED
ANNUAL GENERAL MEETING
ADMISSION CARD

Signature: ....

Name of Person Attending: ....

Name of Shareholder: ....

Enterprise House
No. 11, John Evans Atta Mills High Street
PMB 150, GPO, Accra.
Tel: 0302 666847-9, 0302 666856-8

www.enterprisegroup.com.gh