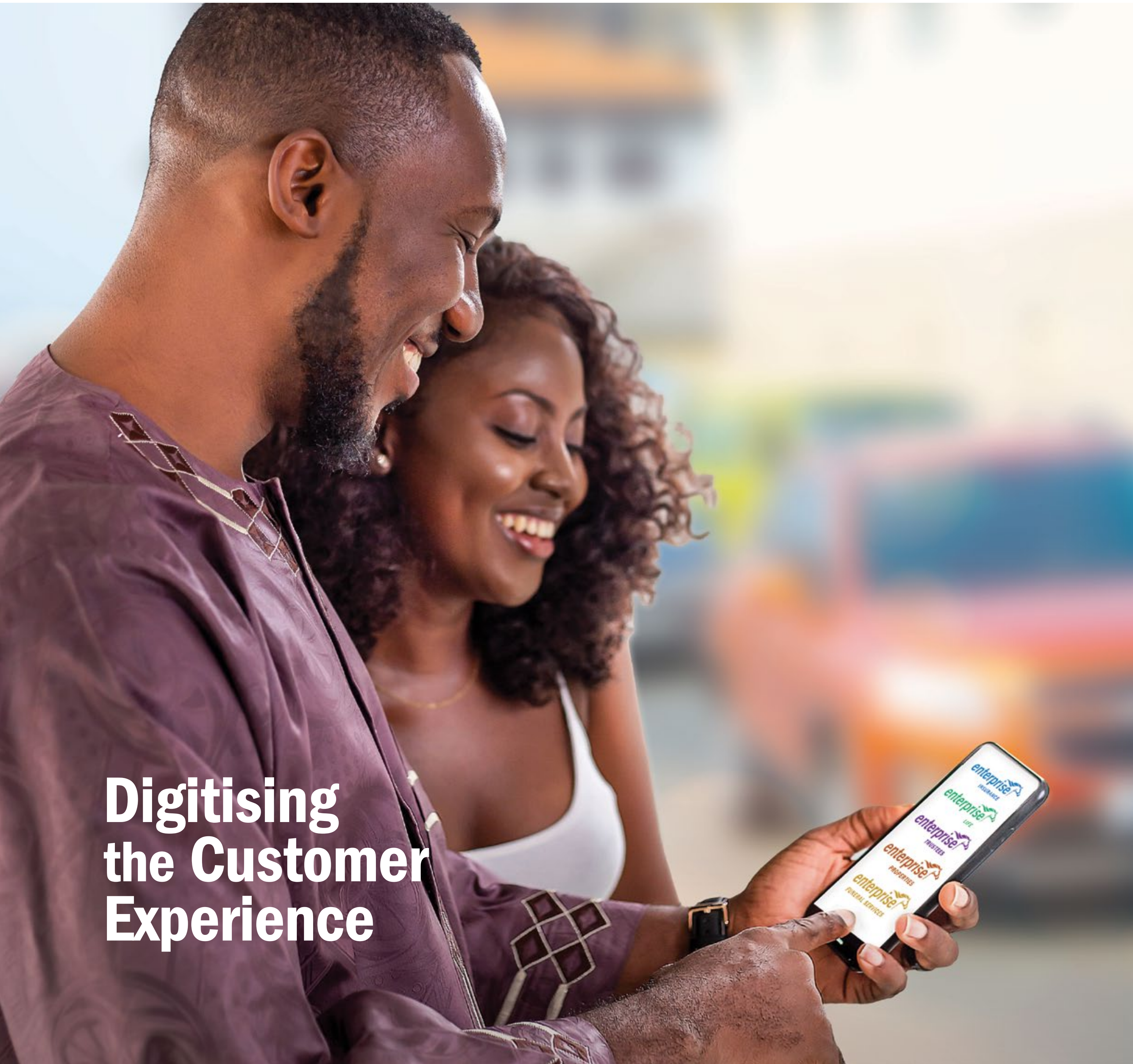
enterprise GROUP
Your Advantage

2019 ANNUAL REPORT & FINANCIAL STATEMENTS



Digitising the Customer Experience

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

- Friendliness
- Trust
- Reliability
- Excellence
- Professionalism

Contents

Review
An overview of our businesses, our performance, key achievements and insights into each of our business units

Governance
Our corporate governance and sustainability efforts

Financial Statements
Audited financial statements and our financial performance

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the tenth Annual General Meeting of Enterprise Group Limited will be held virtually and streamed live from the Company's Head Office at Advantage Place, Mayor Road, Ridge West, Accra on Tuesday, 7th July, 2020 at 10.30 a.m 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 thereon for the year ended December 31, 2019.
2. To declare a final dividend.
3. To re-elect the following retiring Directors of the Company:
   a. Douglas Lacey
   b. Prof. Angela Ofori-Atta
4. To authorize the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

To pass the following as a special resolution

5. To change the name of the Company to Enterprise Group PLC.

DATED THIS 1ST DAY OF JUNE, 2020
BY ORDER OF THE BOARD OF DIRECTORS
SADIA CHINERY-HESSE (MRS.)
COMPANY SECRETARY

NOTE:

1. *In compliance with the restrictions on public gatherings currently in force pursuant to the Imposition of Restrictions Act, 2020 (Act 1012), attendance and participation at the Annual General Meeting will be by online participation only.*
2. *A member entitled to attend and vote at the Meeting may appoint a proxy to attend via online participation and vote on his/her behalf. Such a proxy need not be a member of the Company.*
3. *The appointment of a proxy will not prevent a member from attending and voting at the Meeting via online participation. Where a member attends the Meeting by online participation, the proxy appointment shall be deemed revoked.*
4. *A copy of the Proxy Form can be downloaded from https://www.eglagm.com/ and may be completed and sent via email to registrars@nthc.com.gh or deposited with the Company's Registrars: 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 Meeting.*
5. *The 2019 Audited Financial Statements can be viewed by visiting https://www.eglagm.com/.*
6. *Shareholders are encouraged to send in any questions in advance of the Meeting by emailing them to egl.agm@enterprisegroup.com.gh. Answers to the questions will be provided at the Meeting.*
7. *Accessing and Voting at the Virtual AGM*

A unique token number will be sent to shareholders by email and/or SMS from 15th June, 2020 to give them access to the Meeting. Shareholders who do not receive this token should contact NTHC Limited on registrars@nthc.com.gh or call (+233) 0593105735 or (+233) 0509980337 anytime from 15th June, 2020 but before the date of the Meeting to be sent the unique token.

To gain access to the Meeting, shareholders must visit https://www.eglagm.com/ and input their unique token number on Tuesday, 7th July, 2020. Access to the Meeting will start from 8am. For shareholders who do not submit proxy forms to NTHC Limited prior to the meeting, they may vote electronically during the Meeting using their unique token number.

Further assistance on accessing the meeting and voting electronically can be found on https://www.eglagm.com/.

For further information please contact
NTHC Limited
Martco House, 1st Floor
Okai Mensah Link
Off Kwame Nkrumah Avenue
Adabraka, Accra
Tel: (+233) 0593105735 or (+233) 0509980337
Email: registrars@nthc.com.gh

Five Year Financial Summary

(All amounts are expressed in thousands of Ghana cedis)

	2019	2018	2017	2016	2015
Group Net Income	714,088	607,167	542,651	420,546	349,305
Net Investment Income	128,008	114,478	139,744	85,622	74,986
Net Insurance Premium	535,870	453,430	380,706	308,092	253,712
Net Benefits & Claims	325,346	283,573	275,699	207,210	178,121
Operating expenses	163,798	147,545	117,264	93,424	70,073
Profit before tax	135,790	96,639	90,404	75,765	59,041
Profit after tax	117,225	87,949	87,045	68,001	51,567
Total Equity and Reserves	666,895	576,553	308,779	318,174	276,137
Total Assets	1,499,116	1,349,344	1,034,967	812,085	633,450
Number of shares	**170,892,825**	**170,892,825**	**133,820,825**	**133,820,825**	**133,270,825**
Earnings per share (GH¢)	0.466	0.3034	0.397	0.257	0.207
Dividend per share (GH¢)	0.054	0.045	-	-	0.050
Return on Assets (%)	8.23	7.38	9.43	9.41	9.21
Return on Equity (%)	15.12	11.15	24.12	14.60	13.33
Share price (Market) (GH¢)	1.65	2.24	3.70	2.40	2.40
Price Earnings Ratio	4	7.4	9.32	9.34	11.59

Corporate Information

Board of Directors	Trevor Trefgarne	*Chairman*
	Keli Gadzekpo	*Group Chief Executive Officer*
	Daniel Larbi-Tieku	*Group Chief Financial Officer*
	Cleland Cofie Bruce Jr.	*Group Chief Operations Officer*
	George Otoo	
	Martin Eson-Benjamin	
	Prof. Angela Ofori-Atta	
	Fiifi Kwakye	
	Douglas Lacey	

Company Secretary
Sadia Chinery-Hesse
Enterprise Group Limited
Advantage Place, Mayor Road, Ridge West
PMB 150, GPO
Accra, Ghana

Solicitors
Sam Okudzeto & Associates
1st Floor, Total House
Liberia Road
Accra
P. O. Box 5520
Accra-North, Ghana

Independent Auditor
KPMG, Chartered Accountants
13 Yiyiwa Drive
Abelemkpe, Accra
P. O. Box GP 242
Accra, Ghana

Registrar
NTHC
1st Floor, Martco House, Okai Mensah Link,
Off Kwame Nkrumah Avenue
Adabraka, Accra
P. O. Box KIA 9563
Accra, Ghana

Registered Office
Advantage Place
Mayor Road, Ridge West, Accra
PMB 150, GPO
Accra, Ghana

Bankers
Absa Bank Ghana Limited
Guaranty Trust Bank (Ghana) Limited
Standard Chartered Bank (Ghana) Limited

Trevor Trefgarne
Chairman
Enterprise Group Limited

Chairman's Review

Dear Shareholders,

While these Financial Statements reviewed here refer to the results for the Year to 31st December 2019 we are all aware of the extraordinary events surrounding the Corona Virus Pandemic that struck the world including Ghana and our company early in 2020. This is a major event that will impact the health and prosperity of many people for this year and some time to come. It's not yet possible to assess the impact although we have taken immediate steps in response to the pandemic including steps to maintain full service for clients during Lockdown. We'll refer more to this below and in our CEO's and Executive Directors reports.

Turning to the Financial Statements I can say Enterprise Group Limited entered this time of uncertainty in a strong position having delivered another good operational and financial result for the period ending 31st December, 2019.

The Group reported a Net Income of GHS714.1 million representing a 17.6% growth over 2018 with underlying net profit after tax of GHS 117.2 million compared to GHS87.9 million recorded in 2018. Operating cash flow was positive at GHS127.0 million demonstrating our ability to meet cash needs including dividend and capital expansion.

> *"The financial performance of the Group in the midst of challenges in the Ghanaian financial sector is commendable, as all our key financial metrics reached all-time highs in 2019."*

As I welcome all shareholders to this year's Annual General meeting, I would like to re-iterate your board of Directors commitment to ensuring that your investment continues to yield positive results. Clearly, in difficult times such as these our priority is to demonstrate to our clients that we are there to serve them. We are clear that there is a real advantage in being a client of the Enterprise Group and this is the foundation on which all our businesses operate.

Overview of operating environment

The economy of Ghana advanced 5.6% year-on-year in the third quarter of 2019 compared to 5.7% growth in the previous period. Provisional GDP estimates for 2019 released by the Ghana Statistical Service in April 2020 indicate that real GDP growth rate for 2019 was 6.5% (including oil) compared to 6.3% in 2018. The finance and Insurance subsector rebounded with a growth rate of 1.6% in 2019 compared

Chairman's Review *(continued)*

to a contraction of 8.2% in 2018. The rebound is possibly attributed to the completion of the banking sector reforms and the new confidence.

In 2019, Ghana maintained its moderate fiscal and current account deficits, single-digit inflation following the rebasing, and relatively stable exchange rate.

Review of 5 years 2014 - 2019

I am proud of the Group's success during the 5 year period to 2019 and I am happy to report that our Net Income grew from a 2014 base of GHS288.37 million to GHS 714.1 million in 2019.This represents a 5 year CAGR of 19.9% which exceeds the insurance industry average of 18%. A number of other successes were achieved including but not limited to the following:

- **a.** Fully operational Funeral Services Company (Transitions)
- **b.** Development and commissioning of our Investment Property "Advantage Place"
- **c.** Five (5) Enterprise Markets across the country
- **d.** Preparatory works concluded for our Nigeria entry
- **e.** A number of new and enhanced products were launched (Personal Pension, Life Unlimited, Enhanced Educare and Same Day Claims process etc.)
- **f.** Talent Management and Leadership programs rolled out
- **g.** Successful launching of our Partnership with Leapfrog/ Prudential
- **h.** Raising capital of $50 million to support our expansion drive

Shareholder Return and Dividend

The equity market posted a second consecutive annual decline in 2019. The GSE Composite index recorded a decline of 12.25% following the 0.29% decline in 2018. Similarly, the GSE financial index declined by 6.23% on the back of a 6.79% decline in 2018. Total market capitalization therefore declined from the 2018 amount of GHS61.14B to GHS56.79B. The cumulative impact of two years negative performance on the stock market reflected in the performance of Enterprise Group. The share price of EGL ended on GHS1.65 representing 26.34% decline with our market capitalization declining from GHS382.80 million in 2018 to GHS281.97 million at the end of 2019. A good number of companies suffered similar decline some as high as negative 57.9%.

The board shares the concern of investors that EGL's share price performance has not reflected underlying financial performance or value of the company as demonstrated by corporate transactions. While current GSE trends influence all listed equities we continue to address this issue. A number of stakeholder engagements will happen during the year especially with analysts, brokers and other stock market participants to continue with the progress made in analyzing and understanding financial results of companies like EGL.

The financial performance of the Group in the midst of challenges in the Ghanaian financial sector is commendable, as all our key financial metrics reached all-time highs in 2019. Group Net Income reached GhS714.1 million, a 17.6% increase compared with 2018, and Profit after Tax grew by 33.29% to GHS117.2 million.

Additionally, insurance-specific matrix that capture the economic health of our Life business such as Value of New Business (VNB) and Embedded Value (EV) also reached all-time high. Our 2019 VNB, which captures the discounted future stream of profits expected from new sales, reached GHS60M. Further, our EV, which captures the discounted future stream of profits expected from the inforce business plus the Net Asset Value of the business, also reached an all-time high of GHS678M showing a 34% increase over the previous all-time high of GHS 508M. These achievements cannot be overstated, as it highlights that the Life business grew about 34% in economic term during the year 2019.

Given the Group's performance this year and the Board's confidence in the long term prospects, in addition to our history, the Board is proposing a final dividend of GHS0.054 per share for 2019. This represents an increase of 20% over dividend paid for 2018.

Our Future

The economy in 2020 this is certain to be impacted by the impact of the Corona Virus Global Pandemic and the volatility in global prices for Ghana's main export commodities. Government has taken positive steps to support individuals and sectors and has received substantial international support.

The short term implications of this pandemic with all its management protocols are known to all of you including in the case of our Life, General Insurance and Trustees businesses

Chairman's Review *(continued)*

use of online, telephone and App in place of face to face transactions. We are all very proud of the outstanding response of our Transitions team as they coped with the severe limits on numbers permitted to attend funerals. Let us hope some of these initiatives can represent a silver lining to the present cloud. Our commitment to technology application should significantly upgrade our customer value proposition and make us the preferred solution to life time needs. The EGL Advantage App was launched in December 2019 and witnessed downloads exceeding 14,000 in the first three months. The convenience and value that this brings to our customers should go a long way to retain and attract new members into the Enterprise family.

We know we still have some homework to do, if we want to mobilize our employees even more and effectively prepare them for the transformation ahead. We will continue to deliver new projects, including our entry into the Nigerian Insurance market, our Health Insurance program, tailor-made products and services that meet the needs of our numerous customers.

We remain optimistic about the sustainable recovery of the banking sector in 2020 underpinned by strong capital positions and the gains from regulatory reforms initiated by both the Central Bank and the National Insurance Commission. This will considerably support EGL in achieving our goals.

Final Thoughts

I would like to thank my colleagues on the board and our executive team for their contribution as we begin to see the rewards of a lot of hard work put in over the past few years. Shareholders can have confidence Enterprise has a deep bench of talent. To prepare our organization for the years to come your board proposes to strengthen the Group leadership team by appointing Daniel Larbi -Tieku as deputy to our CEO from 1st May 2020 and for his present role as CFO to be taken up by Michael Tyson, the current General Manager of Finance Enterprise Life. A number of consequential changes will also take place in operating subsidiaries.
Significant progress has been made by the Group and I would like to take this opportunity to thank our shareholders for their continued support and I look forward to realizing our future together.

My report cannot be complete without thanking you, our shareholders, for your continued trust and investment. I am pleased with what was achieved in 2018, and I am excited about the opportunities that lie ahead.

Trevor Trefgarne
Chairman
Enterprise Group Limited

Board of Directors - Enterprise Group Limited

Sitting (Left to Right):
Keli Gadzekpo, *Group Chief Executive Officer,*
Sadia Chinery-Hesse, *Secretary,*
Trevor Trefgarne, *Chairman.*

Standing (Left to Right):
Daniel Larbi-Tieku, *Chief Financial Officer,*
Martin Eson-Benjamin, *Director,*
Angela Ofori-Atta, *Director*,
Fiifi Kwakye, *Director,*
Douglas Lacey *Director,*
George Otoo, *Director,*
Cleland Cofie Bruce Jnr., *Chief Operations Officer.*

Non-Executive Directors of Subsidiary Companies

Francis Koranteng
Director - Insurance & Transitions

Comfort Ocran
Director - Insurance

Dr. Seth Attoh
Director - Transitions

Kenneth Asante
Director - Properties

Norman John Kelly
Director - Life & Trustees

Abed Botchway
Director - Trustees

Bernard A. Forson jnr.
Director - Life

Amina Oyagbola
Director - Life

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Limited

Group Chief Executive Officer's Review

2019 has been a good year for the Enterprise Group. We built upon the successes chalked in the earlier years of our 5 year strategic plan. Solid foundations have also been laid in areas which will enable us accelerate our growth into the future. In 2019, our Group Net Income was GHS 714.1 million representing a growth of 17.6% and our Net Insurance Premium was GHS 540.6m contributing 75.7% of the growth. Profit after Tax was GHS 117.2m representing a growth of 33.3% over prior year with Total Assets registering a growth of 7.4% from GHS 1,349.3 to GHS 1,499.1 million in 2019.

> *"Building a Consumer centric company that touches the lives of people (both clients and their dependents), break barriers by entering New Markets through disruptive Innovation and Digital Transformation of our business processes and systems."*

Economic Environment

Previous gains made in stabilizing the economy were to a large extent sustained through 2019. The economy continued to expand with real GDP growth at 6.2% for 2019. Inflation continued its decline to end the year at 7.9%, post the rebasing of the reference period from 2012 to 2018 in August. The food category at 7.2% remained a key driver of the downward trend inflation and the non-food category at 8.5% has seen higher levels comparatively.

The strengthening of the US economy and by extension the dollar has had its own effect on the Ghana cedi. The cedi depreciated by 12% against the US dollar and 15% against the pound sterling in 2019. The fiscal deficit plus debt from arrears also exerted pressures on the cedi. Currency depreciation had its knock on effect on our business through claims payment mainly on our motor insurance segment as spare parts are imported in hard currency. A total of GHS 51.1m was paid in motor insurance claims in 2019 compared to GHS 44.1m in 2018.

The banking sector reforms which were started in 2017 by the Central Bank, entered its final phase in 2019 with a focus on the Savings & Loan and Micro Finance sectors. Generally, the reforms undertaken by the Bank of Ghana have started showing positive signs in the areas of increased lending to the private sector and declining Non Performing Loans (NPLs) as seen in the last quarter of 2019. Confidence in the banking sector has started bouncing back, albeit slowly. The Securities and Exchange Commission (SEC) also joined in the cleanup of the Financial Sector, with the revocation of licenses of 53 fund management companies.

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

Some of the after effects of the financial sector reforms contributed to the low liquidity experienced in the economy. We expect that the benefits of the reforms will lead to the strengthening of the financial sector through its ability to support the private sector to grow.

As a business, the pass through effect of the financial sector cleanup was seen in the encashment of benefits on our investment linked products and withdrawals experienced on our pension funds. Also, as part of measures to minimize the risk of toxic investments the Company's Investment Committee took a position of preserving value rather than high risk yields by realigning our investments to focus more on long dated government securities and equities. This to a large extent helped to minimize the negative impact of the crisis on our business as experienced in other institutions.

Business Environment

Our main businesses continued to lead their various industry sectors. Enterprise Life sustained its leadership with 27% of market share, our pensions business retained its 31% share of the pension market and managed to grow its Asset Under Management (AUM) to GHS 3.4 billion from GHS 3.01 billion and Enterprise Insurance maintained its 14.4% share of the general insurance industry.

The National Insurance Commission (NIC) rolled out its four year strategy. Central to their new strategy is the aspiration to increase insurance penetration. The key elements of the strategy include the construction of an electronic database of the motor vehicle sector, new insurance laws, creation of insurance awareness to boost confidence, training of agents to improve efficiency and effectiveness and the commission of the risk based management framework.

As the date for recapitalization draws near, we envisage there will be mergers and a few acquisitions. Companies are also positioning themselves to take advantage of the new insurance laws when passed. We are well positioned to fully recapitalize both our Life and General Insurance businesses, by the end of 2020 ahead of the June 2021 deadline set by the NIC.

Impact assessment and relevant gap analysis of IFRS 17 has been undertaken in 2019, and for 2020 and beyond we will continue with training our staff and developing our systems in readiness for adoption in 2022. The NIC's training of agents has also served as a pipeline for our life planners.

Current Strategic Plan

2019 marked the end of our five year strategic plan which covered the period 2015 to 2019. Although we were unable to achieve our Net Income target, we made positive progress in key areas that should propel us to the next level of our growth agenda.

A few of the successes chalked over the five year period are:

1. Fully operational Funeral Services Company
2. Development and commissioning of our Head Office "Advantage Place"
3. Five (5) Enterprise Markets rolled out across the country to enhance Customer engagements
4. In the area of innovation we launched our Enterprise Mobile App and introduced new and enhanced products (e.g. FFP Unlimited and Personal Pension)
5. Continuous development of our People (our most important resource) to release their full potential through various training, talent management and leadership development programs. We also enhanced our "one Enterprise culture" through harmonized conditions and synergies across our subsidiaries
6. New strategic partnerships with Prudential Financial Inc (USA) and Leapfrog, Doves of South Africa and various banc assurance partnerships.

New Strategic Plan

Our new five year strategy has been developed and approved by all the Boards of our operating companies. Our aspiration is to deliver exponential growth that generates sustained profits for the benefit of all our stakeholders.

We aim to achieve this through nurturing, empowering and inspiring our **People** to deliver exceptional results, leveraging on the **Synergies** of the Group structure and strategic partnerships, building a **Consumer** centric company that touches the lives of people (both clients and their dependents), break barriers by entering **New Markets** through disruptive **Innovation** and **Digital** Transformation of our business processes and systems.

In this regard we are pursuing a number of state-of-the-art digital solutions that will give our customers increasing convenience in the way they interact with us to obtain products and services, while making our internal operations more and more efficient. The Advantage App, our flagship digital platform, would be continuously enhanced with applications of such technologies as artificial intelligence and location intelligence to help our customers do more from the comfort of their locations at any time. We will also originate and participate in digital ecosystems and collaborate with selected third parties to provide end-to-end solutions to our customers from the Advantage App. Advanced analytics will be a major theme for us in 2020 as the lifeblood of our digital transformation agenda.

Nigeria

We have made significant progress towards our entry into Nigeria and are in the final stages of fulfilling the requirements for a license from the Nigerian Regulator.

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

Our Partnership with Prudential

We continue to be reassured that we made the right move in selecting Prudential Financial Inc (USA) as our partner. Our collaboration continues to bear fruit and this is seen in the areas of strategic value add and technical knowledge sharing.

Technical knowledge sharing is most evident in our risk management and actuarial processes, where they have provided support and training in strengthening these areas. They also continue to bring their expertise to bear on improving the retail distribution activities in our Life business.

Financial Performance

Revenues

2019 Group Net income at GHS 714.1m represented a growth of 17.6% over the GHS 607.1m achieved in 2018.

Growth was driven by the core insurance businesses which achieved Net Insurance Premium revenue growth of 5.8% and 23.5% from the General and Life businesses respectively. Our pension business, Enterprise Trustees, had another excellent year, delivering a growth of 32.5% in Fee Income.

Total Investment Income of GHS 128m represented a growth of 11.8%, driven mainly by good yields on Fixed Income Securities. The performance of listed equities on the Ghana Stock Exchange was bearish with the GSE index reflecting losses for the second consecutive year.

Costs

Group Net Expenses of GHS 578.3m represented an overall growth of 13.3%. The main factors driving expenses were insurance benefits and claims, insurance contract liabilities, finance cost and commission expenses which registered cost growth of 11.6%, 26.3%, 12.7% and 15.4% respectively.

Net claims costs of GHS 325.3m represented a growth of 14.7%, and was heavily influenced by claims growth of 13% in the Life business, with the unfavourable economic climate driving encashment of policies. Enterprise Trustees were also adversely affected by non-retirement claims.

Profits

Despite the decline in Investment Income, the Group reported a 33.3% growth in Profit after Tax of GHS 117.2 million compared to GHS 87.9 million in 2018. This growth is driven by cost efficiencies and strong performances across our various businesses.

Cash flow

Cash management was priority during the year. Cash generated from operating activities was GHS 127.0 million compared to GHS 64.6 million in 2018. Our overall cash position is strong and we continue to look for opportunities that will give us good returns and support our growth agenda.

Outlook for 2020

As insurers, we understand how unpredictable shocks like pandemics can disrupt our very existence. While we did not predict such a momentous disruption as COVID 19, your Enterprise leadership team took it very seriously right at the beginning of the crisis and took necessary actions to protect employees, customers and the interest of our stakeholders.

We focused our efforts into 6 key work streams:

- Scenario Planning – set of circumstances and risk assessments that would trigger things like shutting down or reopening our offices
- Protocols – set of rules and guidelines covering everything from screening people entering our offices to personal hygiene, protective equipment, travel policies, self-isolation etc.
- Corporate Citizenship – CSI donation to support the country's fight against the pandemic
- Communication – internal and external communication of our decisions to all stakeholders
- Business Continuation – ensuring that our business continues seamlessly even if the offices are closed
- Business & Financial Assessment – fully understanding and mitigating the impact to our business.

I am proud to report to shareholders that amidst the challenging circumstances, your management team was able to successfully execute these work streams and, as it turns out, there are a couple of silver linings from this episode that significantly advance our strategic imperatives:

- Digital Transformation: We have embraced digital platforms like Microsoft Teams and Zoom at a rapid pace in ways that will help us work smarter going forward
- Agile Working: Our Business Continuation Planning success, which led to employees working seamlessly from home, has significantly advanced a core aspect of our People Agenda, which is to have an Agile Workforce
- Enterprise App: Closing down our markets and other locations led us to steer customers towards adopting and using our App in ways that will help us be efficient going forward
- Customer Centricity: By showcasing what the Enterprise "advantage" really means by being there for our customers through various initiatives from our operating subsidiaries, we made significant progress towards becoming the role-model customer-centric company.

In summary, while COVID-19 has tested the world, our country, our industry and our own company, be assured that by taking all the necessary actions to deal with the disruption and using it as an opportunity to advance our strategic imperatives, your company will emerge from this episode stronger than ever.

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

Conclusion

We have set an ambitious and clear path for the years ahead. We revitalized EGL in 2019 and I am confident that 2020 will be another year of progress in building on our products offering even in the midst of covid-19 and its attendant impact.

I take this opportunity to thank the directors, the Group Leadership Team, Heads of Subsidiaries and most importantly our people, for their contribution in a year where the financial services sector suffered contraction.

On this note, may I welcome Mr. Kwadwo Nini Owusu for assuming the role as General Manager for Enterprise Properties and also congratulate Mrs. Genevieve Cornelius on her promotion to the role of General Manager, Enterprise Funeral Services. Their rich experiences will certainly propel their respective entities to greater heights.

I thank you all and God Bless!

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Limited

Ernestina Abeh
Managing Director,
Enterprise Insurance

Enterprise Insurance Company Limited Report

Introduction

I have the pleasure to report on the progress of Enterprise Insurance for 2019. Our company grew profitably, in line with our 2019 Strategic objective of "Growing for Profit". In an environment where rates continue to be low and the industry is characterised by declining profitability as a result of increased pressure on Premium Incomes, our profits after tax grew by 51% over prior year to GHS20.9m compared to GHS13.9m in 2018. This performance was underpinned by a Gross Premium growth of 12%, efficient claims management and a 29% growth in investment income compared to 2018.

On the regulatory front, the National Insurance Commission's plan to enforce the new minimum capital of insurance companies from GHS15m to GHS50m is on course. Companies have up to June 2021 to recapitalise. Our Company is well positioned to meet this minimum capital before the deadline.

The COVID 19 crisis has resulted in serious economic and social difficulties all over the world. Its devastation is on a scale not experienced in a long while and the loss of human lives across the globe has been painful. Enterprise Insurance, strives to continue the most critical business activities in spite of the disruption caused by this pandemic. We have prioritized actions that guarantee the safety and security of employees, customers and visitors to our offices, and also ensured effective communication with all stakeholders. Further, we have also defined our key service focus areas to ensure that we are properly positioned to engage stakeholders for the following Services: Renewal of Policies, Claims Settlement, New Business Processing, Availability of Payment Platforms to stakeholders as well as Electronic Platforms for the Payment of Commissions and Claims. The silver lining in all of this however is the fact that this crisis has expedited the use of technology to improve customer experience and commence agile working.

> *"We effectively pioneered an industry first same day claims processing. This innovation led to improvement in our turnaround times and enhanced efficiencies within our claims processes. This had a positive impact on our claims ratio, improving it from 56% in 2018 to 54% in 2019."*

Enterprise Insurance Company Limited Report *(continued)*

Business Review

Our strategy for 2019 was dubbed "Growing for Profit." We were determined, not only to sustain our top line growth, but to return profit to our shareholders. This ambition was largely achieved by efficiently managing claims, improving our retention and the introduction of the Quality Assurance Unit in our business model to help weed out unprofitable businesses from our portfolio.

During the year under review, we also deepened our collaboration with our Brokers and other intermediaries. This collaboration saw that all parties won. We had our maiden Golden Walk Awards, which sought to celebrate our Agents who work tirelessly to bring us business. This initiative together with other activities motivated the agents to grow their portfolio from GHS67.6m in 2018 to GHS82.5m in 2019.

Innovations to improve our turnaround times and enhance efficiencies within our claims processes had a positive impact on our claims ratio, improving it from 56% in 2018 to 54% in 2019.

Dedicated relationship management in reaching out to customers with non-traditional insurance needs, augmented income growth by 3%.

The Advantage App

The Enterprise Advantage App was launched in August 2019. The mobile App which houses all subsidiaries of the Group allows customers to generate quotations, buy or renew policies as well as lodge claims without delay. For Non-Life Insurance, we have particularly seen customers generating quotations for our Motor, Home and Travel Insurance policies, with some subsequently making purchases on the App. Special features such as Access to Live Road Traffic Information, Road Assistance and Request an Agent/Broker, offer a unique advantage to users who are able to view live traffic in selected areas, locate the nearest mechanic or Agent/Broker respectively. The Advantage Mobile App offers users a twin advantage of unparalleled convenience and a seamless self-service experience.

Awards and Recognition

In 2019, our performance was seen and recognized by various reputable institutions:

- The Global Credit Rating (GCR) Agency of South Africa revised our rating upwards from A+ to AA- category. For our clients and stakeholders, this simply means we have the financial strength and ability to ensure that all valid claims are promptly settled.
- We were retained in the CIMG Hall of Fame Category.
- We were adjudged the Non-Life Insurance Company for the year 2018 at the Ghana Insurance Awards and the Chamber Business Awards respectively.
- In 2019, we were also ranked as the highest Non-Life Insurance Company in the prestigious Ghana Club 100.

CSR Activities -Driver & Road Safety Awards

Apart from the Corporate Social Responsibility embarked upon by the entire Group, Enterprise Insurance also partnered with the Driver Road Safety Award (DRSA) scheme to train and reward deserving commercial drivers who passed all the relevant criteria for safe driving. This partnership afforded us the opportunity to interact with Driver Unions on Road Safety practices while introducing Motor Insurance policies during the various training and educative seminars, leading to the grand finale.

Company Performance

Summary of Key Financial performance

	2019 GHS'000	2018 GHS'000	GROWTH %
Gross Premium	207,059	184,281	12%
Net Written Premium	116,592	107,710	8%
Net Premium Earned	111,848	105,667	6%
Claims Incurred	(59,885)	(55,672)	8%
Net Commission	(8,859)	(9,490)	-7%
Management Expenses	(38,649)	(44,385)	-13%
Underwriting Profit/Loss	4,456	(3,880)	215%
Income from Investment	21,293	16,561	29%
Other Income	8,050	2,096	284%
Finance Cost	(3,560)	-	
Profit Before Taxation	30,238	14,777	105%
Profit After Taxation	20,942	13,914	51%

Overall, Gross Premium was up by 12% and largely driven by the three traditional portfolios: Motor, Fire and Accident portfolios which contributed 83% to total Gross premium. The two new classes of business, Marine Hull and Aviation's contribution, which still remain marginal, contributed 2% of the Gross premium.

Net Written Premium went up by 8% in 2019. The growth was largely driven by 2 key portfolios, Motor and Fire.

Claims Expense grew by 8% over the previous year. This was achieved because of the innovations we introduced around claims. 82% of these claims were Motor.

Management Expense incurred in 2019 was 13% below the previous year. This was due to a combination of factors such as prudent expense management and the write back of a GHS4.7m provision for bad debt no longer required.

New business income recorded GHS69.0 million contributing 33% of our Gross Premium. We continued to focus on the specialist lines as well as deepening the partnership with our intermediaries who contributed to this growth.

Enterprise Insurance Company Limited Report *(continued)*

We recorded an **Underwriting profit of GHS 4.4m, which was a 215% growth** against the GHS3.9 m loss recorded in 2018. The efficient management of claims, expenses and the write back of the bad debt provision was the reason behind this performance.

Investment Income grew by 29%, recording GHS21.3m in 2019, compared to GHS16.6 m in 2018.

Profit after Tax went up significantly by 51%, from GHS13.9m in 2018 to GHS20.9 million in 2019. The positive underwriting results coupled with the returns on our investments and other income contributed to this significant growth.

Portfolio Analysis

GHS'000	ACCIDENT	ENGINEERING	FIRE	M. HULL	MOTOR	MARINE	AVIATION	TOTAL
Gross Written Premium	25,412	22,835	52,650	2,503	92,811	9,077	1,771	207,059
Net Written Premium	15,469	559	9,061	145	89,645	1,704	9	116,592
Net Earned Premium	14,767	487	8,678	103	86,127	1,679	7	111,848
Claims Incurred	(6,428)	(113)	(2,581)	-	(50,282)	(481)	(0)	(59,884)
Net Commission	(1,730)	1,467	2,200	296	(11,631)	390	149	(8,859)
Management Expenses	(5,995)	(4,681)	(8,134)	(186)	(15,373)	(4,095)	(186)	(38,649)
Underwriting Profit/Loss	615	(2,840)	163	213	8,842	(2,508)	(30)	4,456

2019 PORFOLIO COMMENTARY

Fire constituted 25% of our total Gross Premium Income. The portfolio was therefore the 2nd highest in Gross Premium and 3rd highest in Net Premium. There was an 11.7% growth in Gross Premium resulting from an increase from GHC47.1m in 2018 to GHC52.6m in 2019. This class of business recorded an underwriting profit of GHS0.163m, the fourth highest profitable line in 2019.

Accident: With a relatively high premium retention rate of 61%, this class of business contributed 12.27% to our Gross Premium income. The account grew by 9% from GHC23.3m to GHC25.4m in 2019. The portfolio recorded an underwriting profit of GHS0.615m compared to an underwriting loss of GHS4.6m in the previous year.

Engineering realized a significant growth of 41% over previous year. This amounted to GHC22.8m in Gross Premium Income. The retention was low for this class of business leaving a Net Premium of GHS0.559m. Though this line recorded low Claims Incurred coupled with a positive Net Commission, it recorded an underwriting loss of GHS2.8m. This was however an improvement of the underwriting loss of GHC3.6m in 2018.

Marine Cargo contributed 4.3% to the Gross Premium Income with a growth of 22% over previous year's income. (GHC7.4m in 2018 to GHC9.1m in 2019). With a low Net Incurred Loss Ratio of 15%, the portfolio made an underwriting loss of GHC2.5m. Thus making it the second unprofitable line of business in 2019.

Marine Hull and Aviation represents less than 2% of our Gross Premium Income. Even though the gross premium reduced from GHC4.8m in 2018 to GHC4.2m in 2019 we realized an underwriting profit of GHS0.183m.

Motor:
The motor portfolio continues to be our highest contributor to both Gross and Net Premium Incomes. It contributed 44.82% and 77% respectively and is the most profitable line of business. Notwithstanding the fact that expenses incurred on this account in terms of claims and acquisition cost are very high, this line of business recorded an underwriting profit of GHS8.8m.

Human Capital and Performance Management

Our people continue to be the driving force that make us deliver our strategy. We will nurture, empower and inspire them to meet current and future market needs to ensure they continue to deliver superior performance. During the year under review, we invested in staff development and deployed various learning and development channels such as, E-Campus, High Performance Leadership Programme, Talent Management Programme as well as Technical trainings for the different categories of staff based on their needs.

2020 Outlook

Moving into 2020, our priority will be to focus on building our partnerships, digitization, delighting our customers, among other initiatives. We are committed to improve our Market Share in the General Insurance Industry, sustain our top line growth and also return profits to shareholders. This will be achieved through structured collaboration with our Intermediaries to ensure that we win together. Our customers who keep us in business will remain the focal point in our service and product offerings. With this approach and commitment, we will deliver more value and profitability.

Enterprise Insurance Company Limited Report *(continued)*

Following the introduction of the Motor Insurance Database (MID) and electronic stickers by NIC, we expect a more level playing field for industry players, where undercutting will be reduced to a large extent. This will ensure that pricing for motor insurance is done right.

Concluding Remarks

The beginning of 2019 saw the emerging trend of customers requesting for policies on short term basis, ultimately challenging the practice of annual premium payments. This was possibly triggered by the unprecedented financial sector crisis in Ghana and its crippling effects on businesses and disposable incomes. Thankfully, we were able to adapt quickly in order to deliver good results by the end of the year. We are excited about the digital innovations taking place in the financial industry, and we intend to take advantage of all the opportunities that will enable us improve our market share.

Permit me to acknowledge the critical role of our key Partners ie our Brokers and Agents, who believed in us and continued to support us through the year. We would not have achieved our success without their valuable contribution.

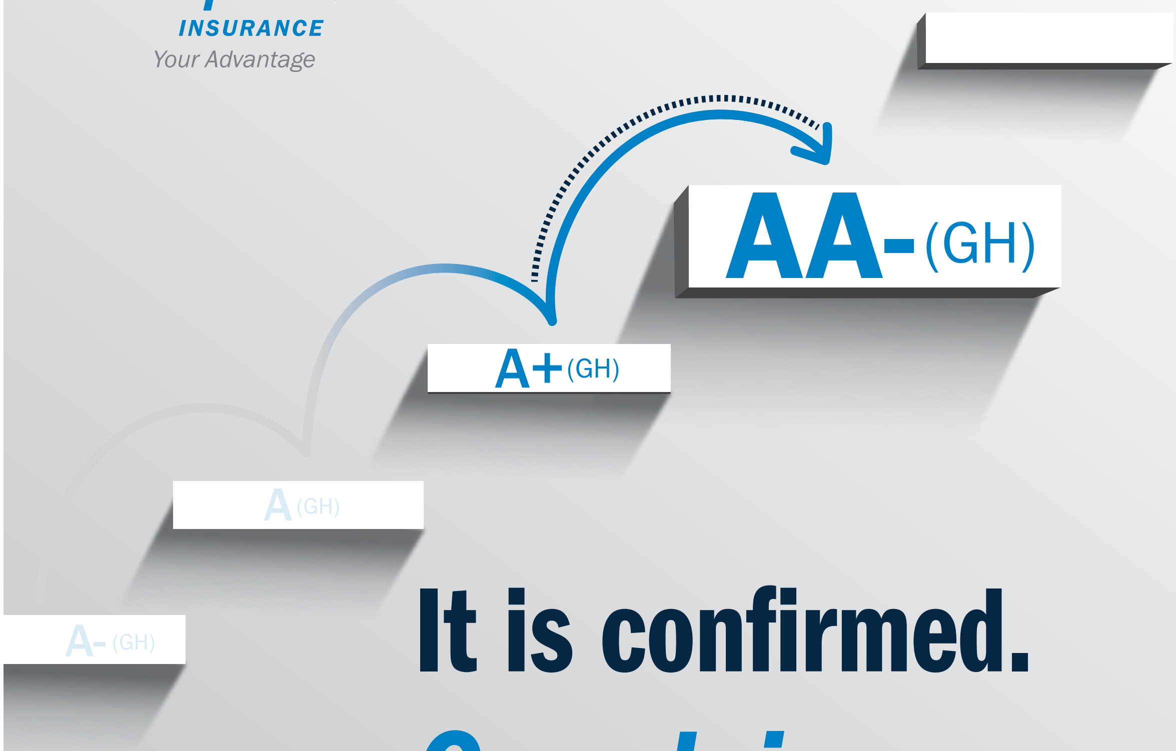
I cannot end without mention of our Board, who encouraged us, challenged us and gave us valuable insights and support on this journey. Unquestionably, you play a big part in the secret of our success, and we are extremely grateful.

Now, I salute all members of the True Blue Family of the Enterprise Group, who worked tirelessly to ensure that we achieved the impressive results and also earned key industry awards. Thank you Team, for your commitment to the goals of 2019. I know I can depend on you to achieve our ambitions for 2020 and the decade beyond.

I look forward to an exciting and successful business year in 2020.

Ernestina Abeh
Managing Director, ,
Enterprise Insurance

enterprise
INSURANCE
Your Advantage



It is confirmed.

Our claims payment ability is even stronger than before.

You deserve to know this. Global Credit Rating (GCR) of South Africa has upgraded Enterprise Insurance Company Limited's (EIC) credit rating from **A+** to **AA-.**

This is definitely to your advantage!

Contact us on +233 302 634 702
Email: info.insurance@enterprisegroup.com
www.enterprisegroup.com.gh

Jacqueline Benyi,
Managing Director,
Enterprise Life

Enterprise Life Assurance Company Limited Report

Introduction

Once again it is a great delight to report on activities and progress of your company Enterprise Life. The year 2019 has been another eventful year for our business. The financial sector clean up started in 2017 by the Bank of Ghana, extended to include the micro finance sector. The Securities Exchange Commission also revoked the licences of some fund management firms as part of the general clean-up of the financial sector. The insurance industry was not insulated from the impact of the above, as customers were affected either through the micro finance sector or fund managers. We continued our progress of sustaining leadership of the Life Insurance Industry. As pace setters we introduced onto the market an industry transforming innovation with our Funeral Finance Plan Unlimited (FFPU), a life insurance solution driven by customer feedback on their needs and research. Enterprise Life's gross premium reached GHS 435.2m, a growth of 21.5% and achieved a profit after tax of GHS75.3m. We were ranked 22nd and the foremost insurance company at the 18th edition of Ghana Club 100 and also won the CIMG life insurance company of the year.

> *"We also commenced a client education project that saw us educating our customers weekly on key features of their life solutions to enhance customer understanding. Automation of some key processes like underwriting continued to make us more efficient in our operations."*

Focus for 2019

Our focus for 2019 was to reposition the business through fixing of the core fundamentals to enable us reassert our reason for being when it comes to the customer. This led to the innovation on our funeral solution in the funeral space, expansion in the customer engagement area and enhancement in our communication on the value we bring to our customers. We also commenced a client education project that saw us educating our customers weekly on key features of their life solutions to enhance customer understanding. Automation of some key processes like underwriting continued to make us more efficient in our operations. We had a full roll out of the mobile money automatic deduction platform which brought flexibility and comfort to our customers in relation to premium payments.

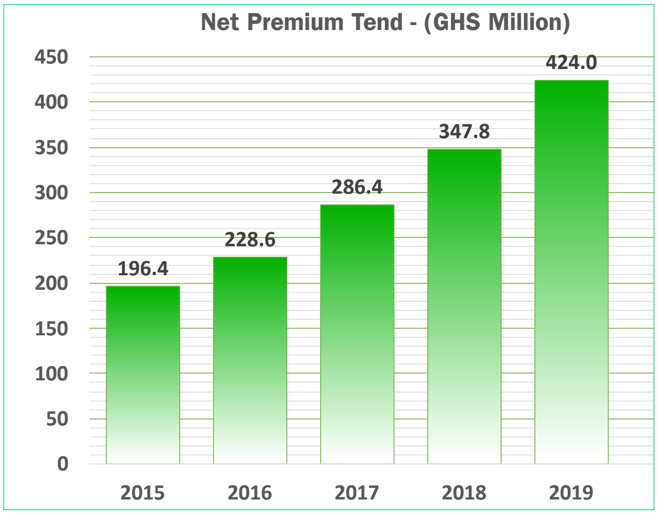
Enterprise Life Assurance Company Limited Report *(continued)*

Financial performance

Creation of value for all stakeholders remained our primary objective throughout the year. A demonstration of our commitment to generate value for all stakeholders was seen in the revenue and profits recorded. The liquidity squeeze experienced in the economy notwithstanding, we were able to honour our promise to our policyholders by paying about GHS189.7m in claims and benefits, a 12.9% rise over 2018.

Premium Income

A total of Ghs435.2m was generated in gross premium in 2019, split into 89% individual and 11% for corporate business. Net premium stood at GHS424m, representing a growth of 21.9% over prior year 2018. This was on account of improved collection rate to an average of 85% and customer value enhancement initiatives undertaken in the individual life side of the business. The Corporate business grew by 12.3% over 2018. Despite the growth recorded, new business generation was weak. Insufficient funds in the account of customers and some continued level of mistrust in the financial services were major reasons for the low new business recorded, a clear manifestation of the challenges individuals faced in the economy.



Investment Income

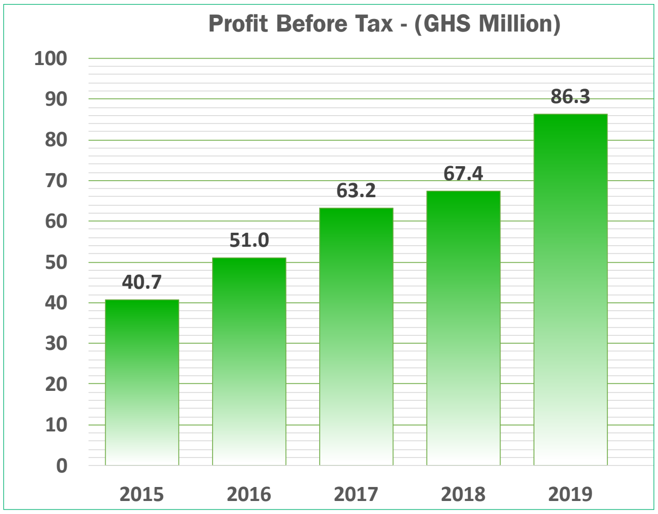
Total net investment and other income grew by 8.6%. Gains made on the fixed income securities were eroded by the poor run on equities on the Ghana Stock Exchange (GSE). The composite index of the GSE declined by about 16% in the year under review. Our investment portfolio is weighted heavily towards the long dated government of Ghana securities. The approach adopted to secure policy holders funds remained the underlying principle for the funds.

Total Expenses

A net total of GHS411.5m was spent on operating expenses. The largest spend items was on the benefits and claims side which saw a total of GHS189.7m representing 46.1% of total operating expenses. Selling and management expenses constitute 17% each of the total expenses whiles the remaining 18% was spent on reserving for actuarial liability. Benefits payment on our investment linked products remained one of the key areas we saw payments to our customers aside the claims on the risk products. Investments in our people and technology will be seen in the management expenses spent.

Profit before Tax

2019 profit before tax grew by about 28% to GHS86.3m over prior year. The growth in profits was on account of the improvement in premium income plus the impact of fair gains on investment properties coupled with the minimal level of cost increment seen in the year.



Total Assets

Growth in fixed income securities, fixed assets and investment properties contributed to the 15.9% growth in total assets. However equities declined, due to the weak performance of stocks on the Ghana Stock Exchange.

Cash Generated

Net cash generated from operations was GHS102.2m. All our financing requirements for both operational expenses and fixed assets were generated from our operations.

Value of New Business (VNB)

Value of new business increased from GHS52.8m to Ghs59.9m largely influenced by the improved sales, in our unlimited funeral solution, the increase in minimum premium for new cases to GHS50 to drive real value for our customers, in addition to migration of policies to enhanced benefits based on the enhanced premium as well. New business from cases sold however declined compared to 2018.

Enterprise Life Assurance Company Limited Report *(continued)*

Embedded Value (EV)

Embedded Value grew by 33.6% from GHS508m in 2018 to GHS678.3m in 2019. EV measures the net worth of the business looking at the present value of the future profits taking into account net assets and the cost of capital. Both net assets and value in force grew by 28.3% and 37.4% respectively.

Individual Life

The retail leg of our distribution remained core to our business. In 2019 we set out to review our entire approach to sales from what we called push based sales to needs based sales. We have successfully piloted the new approach and find it very useful and relevant for the next phase of our growth process as a business. Investments will be made to roll out the new approach in both the agency and broker channels. Our application forms have been digitalised to improve the turnaround time from sales to first premium payment. The digitalisation of the application forms coupled with the introduction of the Enterprise Mobile Application is another step in our process of bringing some comfort and convenience to our customers.

Corporate Business

Corporate business contribution to total premium income remained at about 10.8%. The corporate side of our business made positive progress in getting new partners, with the signing on of Consolidated Bank Ghana Limited as an additional bank assurance partner. We expect to leverage on their branch network strength to grow our bank assurance portfolio. Our credit life business gained further impetus with the Credit life agreement signed with Agricultural Development Bank. As the bank expand credits post the financial sector clean up, we expect to see the impact coming through in the years ahead.

Customer Experience

We continued to build on the enhancement of our customer experience. This was done through the education we carried out in the newspapers and on radio on our product "must know" as a way to cure a major customer pain point, mis-selling. Our annual client cocktail session was expanded to give more clients the opportunity to interact with key personnel of our business and the Group. The Customer Focus Group session, a forum where selected clients get to engage management on all issues including their frustration, pain and more importantly their needs was held in Accra in 2019. Feedback from this session always helps to improve on the customer experience.

Subsidiaries

Our two subsidiaries, Enterprise Life Gambia and Enterprise Funeral Services, continue to make steady progress. The Gambia business grew its net premium by 18% over 2018 and made profit of GHS0.6m at the end of 2019. The business remained the leader in the Life insurance sector of Gambia. Business is determined to sustain the revenue and profitable growth seen in 2019 into the future.

Transitions The Funeral People, grew their revenue by 49.1% from GHS5.2m to GHS7.7m and also reduced their loss from GHS2.6m in 2018 to GHS1.3m in 2019. The funeral services business continued to make in-roads into the market with their quality services. During the year two additional hearses were added to their fleet to enable us meet the increasing demands in that segment of the market. The drive to get to break even in the shortest possible time, will be aggressively pursued whiles they work to maintain high quality standards of the services and also create value both for the customer and the shareholder.

Our People

My warmest appreciation goes to our Board and staff who have stayed faithful to our purpose for being. The performance of 2019 bears testimony to the strength and resilience of our people to perform at their optimum. In 2019 we touched all our full time employees with at least one training to build their capacity for delivery of superior results. A number of our key people benefited from leadership development training run by our partners Leapfrog. We also focused on driving employee engagement initiatives creating the right environment for superior delivery. Investment in our people will remain central to our activities, as without the right people with the right training and capacity we will not be able to achieve our future set goals.

2020 in Perspective

The key thrust for 2020 will be to strive to be different and better at what we do. Our selling approach will change from push sales to real needs-based selling. This is where we engage customers and potential clients in a meaningful way to let them appreciate and see Life Insurance as part of their financial needs and not an auxiliary item. Re-orientation of all our employees for the customer to take the pride of place in all we do will be a primary focus. We will continue to work to ensure our employees feel the true meaning of 'Our People Our Company', through the engagement and training initiatives we will put at their disposal. Deployment of the right technologies and the relevant digital tools to make our processes and operations more efficient and give us the competitive edge to will remain topmost priority. We plan to re-capitalise by the close of 2020 ahead of the NIC deadline of June 2021 and will keep pace on the plans to roll out the International Financial Reporting Standard (IFRS) 17 per the agreed timelines. Our key focus in the face of the global pandemic COVID 19, will be the safety and, wellbeing of our people and customers, whiles we put in place the right systems to respond to the needs of policyholders with minimal delays. Like many businesses across the globe, we will be impacted adversely especially our new business, however we will still look for the opportunities in the situation to make our operations more resilient, agile and responsive to the changing needs of customers and the dynamic world of work.

Jacqueline Benyi
Managing Director,
Enterprise Life

Joseph Ampofo
Managing Director,
Enterprise Trustees

Enterprise Trustees Limited Report

Introduction

The outlook for the Retirement Industry remained positive for year 2019 largely due to the financial sector clean-up which began in 2018. Ghana's financial sector is interconnected and hence any clean up in the banking sector by the Bank of Ghana most certainly would have an impact on the pensions' industry. Enterprise Trustees ended the year on a positive note as we were ranked 17th on the Ghana Club 100 rankings. Our Company continues to deliver on revenue growth whilst pursuing operational cost efficiencies. We retained the unique position of being the only Corporate Trustees in the Ghana Club 100 ranking.

Our General Performance in 2019

We continued to pursue excellence with a key focus in service and people. Convenience in our offering was pivotal and this was achieved by deepening our footprint in innovative technology solutions. This led to our launch, dubbed 'In your hands' campaign, which was the *714*333# short code. The focus was to drive convenience to onboard Ghanaians in all corners of the country as well providing existing customers with an easy solution to check on their retirement accounts. Mr. Hayford Attah Krufi, Chief Executive Officer of National Pensions Regulatory Authority (NPRA), commenting on the

"We continued to pursue excellence with a key focus in service and people. Convenience in our offering was pivotal and this was achieved by deepening our footprint in innovative technology solutions."

initiative stated "Pensions like death is inevitable and we all need to plan towards it. With our vision to ensure retirement income security, we endorse this product which is registered and regulated by NPRA." To drive further our belief in operational efficiency via a digital solution going forward, the Enterprise Advantage Mobile App was also launched in August 2019. This provided smart phone users with additional convenience to onboard and check on their retirement accounts.

With 2020 coming up, the year retirement payments start, we held various regional stakeholder sessions to prepare such retirees come 2020. This formed part of continuous education of our members and providing a valuable interacting platform to understand better our member's pension's needs.

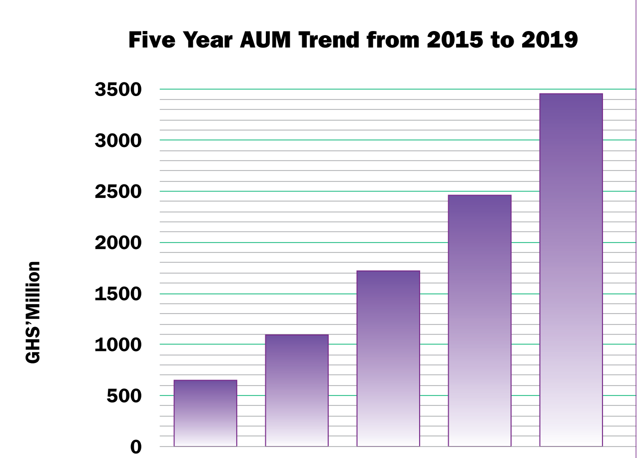
Enterprise Trustees Limited Report *(continued)*

Financial Performance

Key Financial Data

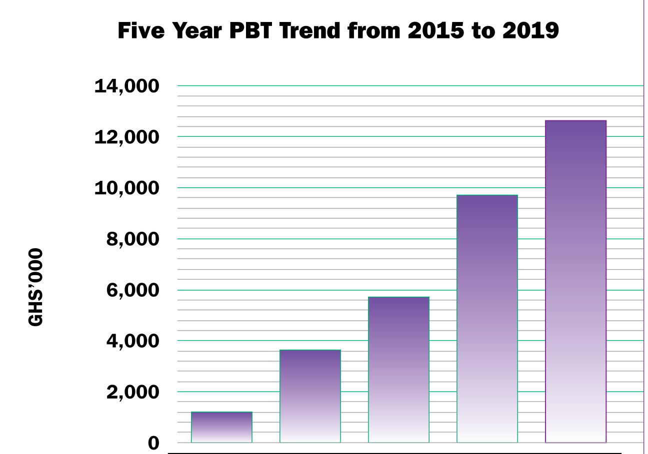
	2019 GHS'000	2018 GHS'000	GROWTH RATES %
Rates	26,131	19,731	32.4%
Expenses	16,613	11,753	41.4%
Profit before tax	12,630	9,713	30.0%
Total Assets	34,384	21,045	63.4%
Shareholders Fund	24,579	15,981	53.8%
Assets Under Management	3,455,435	2,460,821	40.4%

ETL improved its financial performance in the year 2019 although in a challenging financial environment. The Total Assets of the company as at 31 December was Ghs34.4million which represented 63% growth over the 2018 figure of GHs21.1 million. The core of this growth was as a result of increased investment in government bonds of about 45% over the previous year which represented about 63% of Total Assets. Non-current assets growth was only about 4% over the 2018 figure which is consistent with our operations. The above growth was financed mainly from fee income generated from core operations. Fee income which was the main driver of the financial performance grew by 32.5%, from GHs19.7million in 2018 to GHs26.1million in 2019. This was as a result of growth in the Schemes Assets under Management (AUM) which increased from Ghs2.46billion in December 2018 to GHs3.5billion in December 2019 representing 43% growth rate.



	2015	2016	2017	2018	2019
AUM(Million)	649	1093	1720	2461	3455

As we continue to position our growing business to drive operational efficiency in the long run, our management expenses grew by 41% from GHs11.8million to Ghs16.6million during the period. The main cost drivers in management expenses were investment in technological innovation such as the deployment of USSD, Mobile APP, process automation via employer self-service and investment in our people training to deliver an enhanced customer experience in addition to the impact of the adoption of IFRS 16. By the end of the year, we saw a Net Promoter Score averaging 8.9 a very positive result for 2019. The profit before tax for the year posted GHs12.6.million representing about 30% growth over the 2018 figure of Ghs9.7million. The trend for the past five years is depicted in the graph below:



	2015	2016	2017	2018	2019
PBT (GHS'000)	1,204	3,639	5,715	9,713	12,630

Shareholders fund grew by 54% from GHs15.98million to GHs24.6million in 2019.

Regulatory Environment

NPRA facilitated a number of industry stakeholder engagements, key amongst such was discussion around minimum capital requirements. As a follow up from Bank of Ghana raising minimum capital for Banks, the NPRA intimated they would be looking to engage the industry in the very near future to review the Tier 2 & 3 minimum capital requirements. The Chamber of Corporate Trustees of which ETL is a leading member has made a proposal to the NPRA in that regard awaiting further industry engagements.

The NPRA keenly facilitated engagements with Consolidated Bank of Ghana in the wake of them taking over the assets of collapsed banks, of which included Gh545miliion of pension funds. This ensured the Industry would have continuous engagement with CBG to secure these pension assets.

Enterprise Trustees Limited Report *(continued)*

The NPRA also engaged SEC in the wake of their industry clean up as well late in the year. This led to directives being issued to all issuers to remit all matured investments to Trustees or face being blacklisted from holding Pension fund investments. This led to a major shift in how issuers were recording pension funds in their books for Fund Advisors who had acted on instruction of Pension Fund Trustees.
The NPRA halted Employer porting within the industry in 2019. This was a major blow to switches which adversely affected new business accounts within the Industry. The move was aimed at tackling the growing problem of incomplete contributions account being transferred to new providers. This had the potential to delay the 2020 retirement benefit payout.

The NPRA as at the end of 2019 had declared 21 Corporate Trustees (including Enterprise Trustees) out of the 33 to be in good standing.

Corporate Governance

ETL held all scheme board session as mandated by regulation. The Scheme Investment Committees rigorously engaged fund advisors and custodians as expected, to ensure the achievement of the scheme investment objectives. The scheme investments continue to be in compliance with the NPRA investment guidelines and the scheme's own investment policy. An average return of 15.7% net of scheme administrative expenses was returned to members during the year. The cumulative average for the scheme net investment returns for 2013 to 2019 was 18.7%

Staff and Management

On behalf of management, I wish to congratulate and appreciate our staff across the business for their immense contribution to our continuous growth within the industry. Our vision is to empower staff to be the best at what they do, and in 2020 we will continue to build staff capacity towards the achievement of overall business goals and objectives.

In line with developing our capacity in people we embarked on an ambitious training regime. Our Fund Accountant Mr Wilson Davor, Head of Benefits Mrs Naana Aboagye and Head of Sales Mr Maclean Aggrey-Fynn were enrolled on our maiden Leapfrog Strategic Africa Investments specialist training suite which took them to Dubai and Johannesburg. We also invested heavily in pensions training facilitated by AUCC who are accredited by the NPRA to provide Industry pensions training. To deliver the needed consumer experience service, we arranged customer service excellence training sessions as well for all frontline teams. Investment in our people will be continuous to ensure they stay relevant to the times.

Outlook for 2020

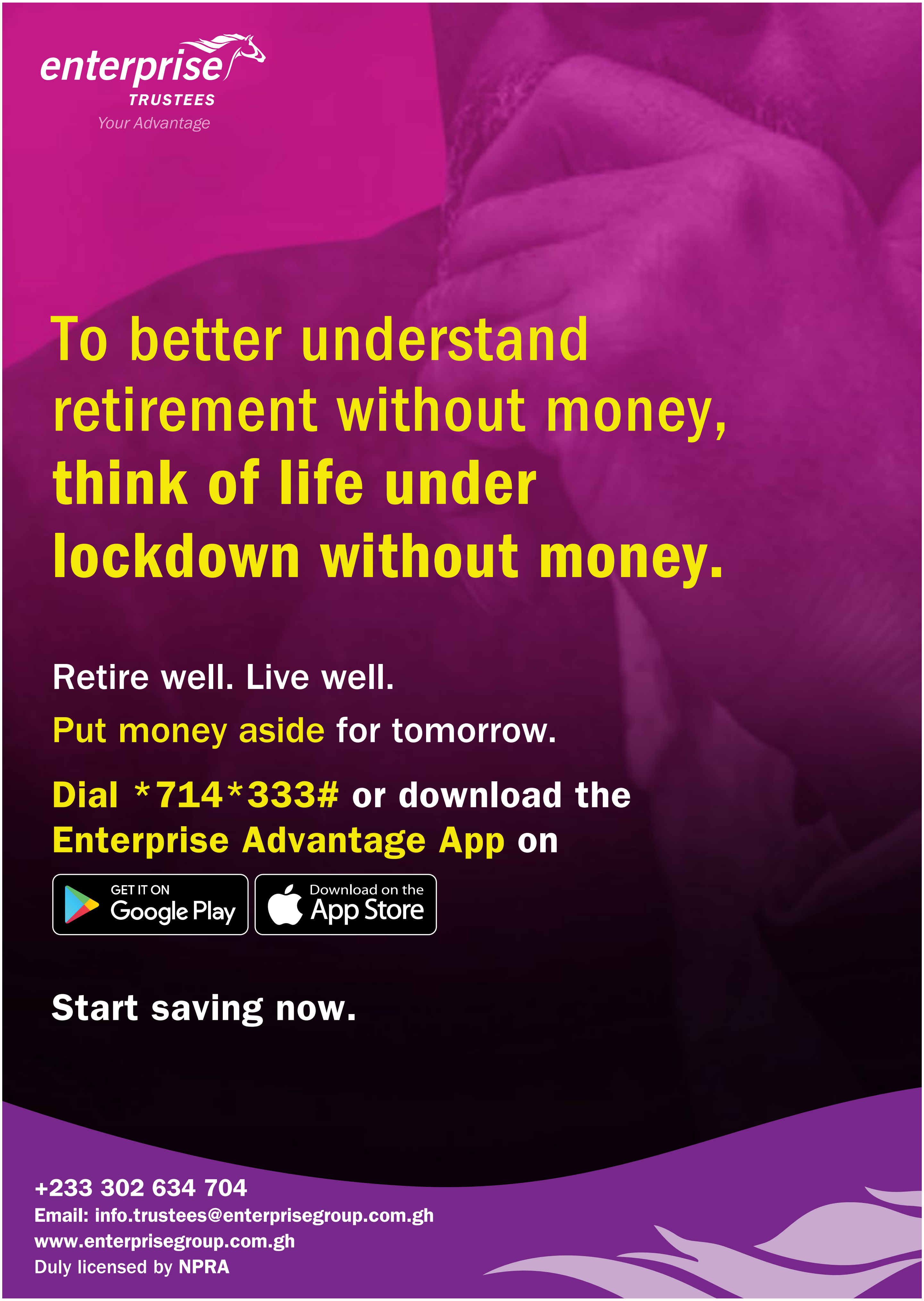
This is the defining year for private sector pensions as we commence payment of retirement benefits. Our aim is to ensure we deliver an exceptional retirement payment experience to our first cohort of retirees. The sustained progress made into technology and people should ensure we continue to maintain market leadership in private sector retirements

The COVID 19 pandemic has brought in its wake untold challenges to many, resulting in serious economic and social hardships. Employers are beginning to "feel the pinch" as a result of the lockdown and general slowdown in economic activities. This has resulted in layoffs and non-payment of pension contributions for retrenched employees. As a result of social distancing protocols, our usual face to face engagement certainly is challenged. Our investment in technology in 2019 via the USSD and Mobile App should however enable us quicken the pace of engagement. We intend to drive this alternative channel more vigorously, especially as social distancing has kicked in. Though early days to gauge the impact of full revenue drop, we are ramping our focus in the technology space to stay ahead of the curve after COVID 19. ETL investment in technology over the years made the transition to remote working very seamless for our staff.

Appreciation

On behalf of our Board of Directors, I will like to thank our valued clients for their continued business with us. We are committed to offering you the best of service in employee benefits. I thank management and staff for their continued hard work and dedication to duty that enabled us deliver such remarkable results this year, in a very challenging business environment. Finally, I thank the Board of Directors for their invaluable counsel and guidance.

Joseph Ampofo
Managing Director,
Enterprise Trustees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Kwadwo Nini Owusu
General Manager,
Enterprise Properties

Enterprise Properties Limited Report

The Real Esate Environment

The real estate industry in Ghana continues to be dynamic. New laws such as the VAT amendment Bill [Act 1005] tax formulated by Parliament providing exemptions to VAT for different categories of the real estate sector and proposed bills such as the Real Estate Authority Bill, proposed asset mix rules for investment in both the insurance and pension sectors suggest a gradual push towards a regulated environment. An environment where real estate is increasingly being categorized as a financial asset providing an avenue for long term finance to access. However, the industry has been under pressure and did not perform too well in 2019.

The office sector is experiencing a stagnation in uptake. Grade A spaces are increasingly becoming empty with tenants willing to take a risk in grade B options. The main reason remains rental prices, with tenants looking at converting residential units into office spaces and cheaper grade 'B' options than taking up purpose-built office spaces. With more office spaces being developed and competition from the residential units we anticipate that a proactive resetting of rental rates to more comparative commercial terms akin to those charged across the residential units happen over the next 3 years.

> *"At year end, our pipeline transactions when closed will move letting to about 65%. Our objective is to maximize long term stable income by continually increasing the rent roll and improving the retention rates."*

The residential sector is dominated by a fragmented assortment of local and international developers who mostly target the middle to high-middle income bracket. The current price points of these units make them expensive to the middle class and developers have witnessed a slower than expected uptake of residential units. Coupled to this is the emergence and a bias towards high density residential units in the form of high-rise apartments which has not been an easy cultural option to most Ghanaians who still prefer standalone residential units.

The retail sector exhibited similar trends seen within the residential and office sectors with the supply of space outstripping effective demand. The emergence of malls started a surge by investors in the retail market however there has been a sluggishness of growth and footfalls in most of the major malls bar Accra, A&C, Achimota and Junction malls.

Enterprise Properties Limited Report *(continued)*

A number of proposed mall developments have been put on hold. Our viewpoint for the medium term suggests that investments in more mixed used complexes provides the best alternatives to the malls and the best alternative to earn a superior return

Business Analysis

2019 has been a milestone year for Enterprise Properties Limited (EPL) as we have made significant progress towards our objectives of increasing occupancy and efficiency across the Enterprise Group real estate portfolio. As the final year in our 5-year strategy we continued to reposition ourselves as a key resource through our corporate real estate strategy of the Group.

Our strategy over the past five (5) years which ended in 2019 was to support the core business processes through the implementation of real estate plans that aligned the management of the real estate portfolio to the core business's strategic, operational and financial objectives. Over the last five years, we have successfully, after the development of Advantage Place, transformed the company from a one-stop shop which was involved in both real estate development and real estate management to a company focused on real estate management only of the Group's portfolio. In 2019 we completed this journey and rebranded as the Corporate Real Estate Service [CRES] company within the Group.

At the strategic helm of the company, we had a changing of the guard as we bade a warm farewell to our founding General Manager, Mr. Philip Godson-Amamoo after eight (8) years of excellent service and welcomed our new General Manager, Mr. Kwadwo Nini Owusu who joins the CRES Team with a tremendous depth of industry knowledge and experience.

For CRES to release the market value embedded in our investment assets, we have adopted a 'follower' mentality – through strategic partnerships with real estate developers with excellent pedigree whiles we build capacity internally. To boost returns on these investment assets, we have succeeded in de-risking 90% of the investment portfolio by acquiring clean titles for all landbanks.

Properties Portfolio overview

Our current portfolio is made up of approximately 73,000 square meters of space under management of which 80% relates to investment properties and 20% being non-investment grade assets that is, owner occupied assets and leased properties. These leased properties are mostly branches through which we serve our clients. The market value of our investment properties portfolio increased averagely by 12%. On an asset by asset basis we had losses on the revaluation of some investment properties however, a reclassification of 2 investment properties impacted the portfolio positively.

Specific to Advantage Place, there was a 7% appreciation in the valuation from GHC162M to GHS173M. This investment, our largest investment completed in 2017, is an office complex which as at the end of 2019 was approximately 50% let. At year end, our pipeline transactions when closed will move letting to about 65%. Our objective is to maximize long term stable income by continually increasing the rent roll and improving the retention rates.

In 2019, we conducted a situational analysis on our portfolio mix to ascertain trends in competition, affirm market values and derive best use options on our assets.

Corporate Services

On property management, we have through an internal refocus developed controls and procedures to manage all our real estate assets. This includes (re)location and move strategy, business case development, assisting on front-line transactional spatial design and driven synergies within the Group and strong local on-site management across all locations. We also advise on real estate trends with the primary objective of driving up the capital values of our properties, reducing costs, introducing flexibility and aligning real estate strategy to core business strategy and ultimately improve returns for our shareholders.

On facilities management, in 2019 we further consolidated and centralized the management of basic property and facilities management services through a country wide audit of all our touch points in cleaning, security and health and safety standards which provided us with a platform to better manage quality of service across the Group. We also provided training in fire-fighting at all our locations and most importantly at Advantage Place.

Our stock condition database exercise, one key aspect of improving the asset maintenance and quality standards was commenced in 2019 with a view to completion within the first quarter of 2020. Significantly, we operationalized our Computer Aided Facility Management [CAFM] software which is expected when complete in 2020 to aid us proactively improve the quality of our property and facilities management services holistically.

For all other locations, we were able to renegotiate all leases within market rates and provide a smooth transition of operations within the Group albeit with a few branch movements due to the standards of some branches which were encumbering the Enterprise brand.

Enterprise Properties Limited Report *(continued)*

On project management, some of the key projects executed over the year were:

- the completion of a second layer of works to improve the health and safety standards at Advantage Place
- the Group's disaster recovery site located in Kumasia
- series of branch facelifts across the country aimed at standardizing the brand image of Enterprise and improving working
- a state-of-the-art Contact Center at Enterprise House to improve our customer service with our clients
- Health and Safety audits across the country
- Operationally, we continue to focus on four (4) main areas:
- A tight rein on costs and cost growth, by locking in rates with our contractors for the year
- Maximizing spatial usage and growth through collaborative usage of spaces and optimal redesign to promote health and safety across all our branches and agencies
- A focus on increasing occupancy within Advantage Place
- Improving our service delivery with respect to our facilities and property management services.

Financial analysis

Enterprise Properties consolidated rental income increased by 65% from GHS6,753K in 2018 to GHS11,125K in 2019. Sources of revenue for Enterprise Properties, generated from rentals from Enterprise House, Enterprise Gardens and fees charged for the management of the Group's portfolio remained stable. There was no deviation from expected incomes. Total assets grew by 5% on the back of increases in Investment properties. Our liabilities also grew by 7%, largely attributable to increases in shareholders loans. Our equity base grew a marginal 1% and was due to a marginal addition to the bottom-line of the company.

Outlook

Our forecast for the office sub-sector indicates a growth in supply that will outstrip demand. Prices remain sticky upwards with most prospects demanding for lesser rents. This we anticipate will force prices downwards in both Grade A and Grade B classes of buildings, more so in Grade A.

We forecast a switch to quality. Developers who in the past could get away with sub-standard work will lose out as off takers become more savvy and turn to professionals for assistance to make real estate decisions. Allied services such as facility management and property management services will be demanded as construction continues to become more high density and gated and this provides an excellent opportunity for growth for EPL.

We anticipate that the COVID-19 pandemic effects will have a negative effect on our business, affecting revenues from rentals as businesses contract and minimize their spatial requirements. Working from home has introduced a new paradigm for corporate workspace pushing businesses to reassess the need for huge office spaces and this will negatively impact on leasing at Advantage Place. With existing leases, we anticipate a reaction by tenants for rent waivers.

Kwadwo Nini Owusu
General Manager,
Enterprise Properties


enterprise
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Your Advantage
We are committed to providing a customer driven revolution for your Advantage
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Genevieve Cornelius
General Manager,
Transitions

Transitions Report

Introduction

The year 2019 marked the end of a 5-year strategic plan which targeted 1BNI for Enterprise Group. Transitions was borne out of this 5-year plan among other things to contribute to the target of One Billion Net Income (1BNI).

The past three years of Transitions saw the Business taking significant steps to redefine how funerals are organized in Ghana. Innovative products and services were introduced into the market with new approach to doing funerals in Ghana. Transitions has demonstrated that the funeral business does not need to be handled by people considered to be nonintellectuals. We have created a pool of expertise along the funeral value chain that provide professional touch to services rendered to our cherished customers.

Over the past few years, Transitions engaged the services of reputable internal and external trainers to build the capacity of our staff to meet the ever changing needs of our customers. This has positioned the Business as a funeral home of choice in and beyond Ghana, building a reputable brand in the funeral industry. Our cherished customers now insist to see the Transitions logo on key products and services purchased.

As the world moves into the space of digitization, Transitions has taken major steps during the year to introduce digital solutions in order to achieve the objective of providing convenience to customers. The Business can now boast of digital platform such as online removal, online funeral planning, online funeral donation, online obituary, live streaming of funeral services and many more. All these digital services are currently available on the "Enterprise Advantage App". You can download the App on google play store or Apple Store for your convenient funeral arranging and more.

> *"Transitions has started an agenda to influence customers into doing their funerals on weekdays. This campaign was not only introduced to enable Transitions optimize its resources but also to provide convenience and cost effective funeral service for both bereaved families and all those who may want to attend the service."*

Strategic Objectives

The strategic objective for 2019 was to attain breakeven through exceptional customer experience and create top-of-mind brand. The key focus was to consistently take the stress in organizing funerals whilst the customer mourns his loved one.

Transitions Report *(continued)*

The critical financial objective of the Business for 2019 was to breakeven. This was however a challenging task considering the revenue growth projections to achieve breakeven. Revenue was projected to grow by 107% over prior year and this was expected to be driven mainly by Walk-in funeral sales.

Revenue

The Business grew its revenue mainly through services provided to customers who walked in. Total revenue grew by 49% from GHS5.2 million recorded in 2018 to GHS7.7 million in 2019. Walk-in funeral service income contributed 76% of total revenue whereas income from sale of Assurance product contributed 20%. The remaining 4% was contributed by cross sale of Transitions funeral services to customers of Enterprise Group (Enterprise Life to be specific).

Total Expenses

General and Administrative expenses grew by 8% from GHS6.4 million in 2018 to GHS6.9 million in 2019. The cost structure of the Business saw a marginal shift as operational activities increased. Fixed cost which was around 80% in 2018 declined to 72% in 2019 and this is expected to continue in the short to medium term. Key cost drivers during the year were occupancy, personnel, and depreciation provisions. These costs are expected to be absorbed with increase in turnover. The Finance cost reported in the Income Statement was incidental to the adoption of IFRS 16 (Leases) and this significantly impacted on total cost when compared to prior year (2018).

Net Profit/Loss

Loss for the year under review increased from GHS2.5 million to GHS3.1 million. The increase in operating loss was mainly due to the Business' adoption of IFRS 16. In adopting this standard, the lease (office rent) related expenses of GHS1.4 million per year charge to profit and loss doubled to GHS3.1 million.

Market Analysis

The Funeral industry in Ghana continues to evolve as people are getting to know and understand the importance of using a funeral home for one's funeral. However, a lot more people continue to adopt the traditional ways of handling funerals through shopping for individual services or products from private or public vendors (service providers). Funerals in Ghana are known to be held between Fridays and Saturday except for the Ga community within Greater Accra region who are known to allow funerals to be held on weekdays especially Thursdays.

Transitions has started an agenda to influence customers into doing their funerals on weekdays. This campaign was not only introduced to enable Transitions optimize its resources but also to provide convenience and cost effective funeral service for both bereaved families and all those who may want to attend the service. The market response to this campaign has been slow but progressive. We shall continue to drive this initiative to demystify why funerals cannot be held on a weekday.

Risk Factors

Transitions as any other Business carries inherent risk that it continually manages. As a Business that drives quality, some of the input of our services are imported and this exposes us to Market risk. Reputational risk has also been one of the key risk factors knowing the sensitivities that come with funerals in Ghana. The Business has demonstrated over the years its ability to keep these risk factors under control through the support of the experienced Enterprise Group risk team.

Assurance Product

At the start of the year (2019), the assurance product (Transitions Plan) was withdrawn from the market for enhancement to meet the demands of our customers. This review was successfully completed and approval given by National Insurance Commission (NIC). This assurance product will be in the market in year 2020 and will be distributed by Enterprise Life.

Product and Services

Transitions continue to offer a 360 degree funeral solutions. These include but not limited to;

- Removal (moving the deceased from hospitals/homes to Transitions morgue)
- Embalmment
- Storage (mortuary)
- Washing, dressing and beautification
- Hearse services
- Chapel and Reception services
- Vigil services
- One-week celebration
- Caskets (of all types)
- Home undertaking services, etc.
- Professional funeral arranging (event planning) services

Transitions provides everything funeral and one does not need to shop around for funeral needs.

Human Resource

The uniqueness of the business ensures our people remain the most critical asset to the sustenance of business and achievement of overall strategic objectives.

In 2019, a team of experts from FAFA (Funeral Academy for Africa, South Africa), trained our technical team in Facial Restoration, positioning the business as the first in Ghana to have such capability in the industry. The customer service team were also trained in funeral arranging best practices.

Mrs. Jodene Smith, the General Manager ended her secondment assignment from Doves and had to return to South Africa. A Ghanaian, Mrs Genevieve Cornelius, the then Head of Operations has been appointed to head the business.

Transitions Report *(continued)*

2020 in Perspective

As Enterprise Group embarks on a new 5-year strategic plan from 2020 to 2024, Transitions is positioning itself to be an active contributor to the Group's goal. The strategic objective of Transitions for the next 5 years is to achieve and maintain profitable market leadership in the funeral industry. And this will start in 2020 on the theme; Our Services, Our Brand (#OSOB2020). We will continue to focus on our customers and provide them with tailor made services that meets their expectations whilst we derive the ultimate financial benefit for our shareholder.

However, the global outbreak of coronavirus whose impact on Business across the globe is getting severer by the days is quickly changing the way of doing funerals in Ghana. The Government of Ghana by legislative instrument announced restrictions on social gathering including funerals. The impact of this covid-19 has completely shut many Businesses and jobs. The disposable income of prospective customers of Transitions has not been spared. Many bereaved families postponed the funeral rites of their loved one at the onset of the pandemic but as the restrictions extend into many months with no end in sight, Transitions has introduced a very attractive private burial package into the market to help families bury their loved ones during this time. These innovative product provides customers complete funeral package not only at affordable price but also provides livestreaming of services to enable other family members, friends and the general public join the service online. Viewers are able to give their donations online and offer their condolences.

Genevieve Cornelius
General Manager,
Transitions

Corporate Governance Statement

Introduction

The Boards of Directors of Enterprise Group Limited and its subsidiary companies (collectively referred as the "Group Boards") are committed to maintaining the highest standards of Corporate Governance. The Directors believe that full disclosure and transparency in the Group's operations are in the interests of good governance, and contribute to the sustainability of the Group's long term prosperity and accountability to its shareholders.

This Statement outlines the Group's Corporate Governance principles and practices, and details how it has applied those principles over the past year. 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 which provide reassurance regarding the reliability of the Financial Statements.

The Board of Directors

The Group Boards and the Management team are collectively responsible for inculcating best Corporate Governance principles into the business and securing the long term success of the Group as a whole.

The Board of Enterprise Group currently has six Non-Executive Directors (one of whom is the Chairman), the Group Chief Executive Officer, the Group Chief Financial Officer and the Group Chief Operations Officer. Each Member is highly qualified and experienced in both managerial and his/her distinctive field of specialisation.

The roles of the Chairman and Group Chief Executive Officer are distinct and do not vest in the same person.

The Board holds at least four meetings each year to review performance of the business, provide clear strategic direction for the Group and ensure the achievement of agreed key deliverables. Members of Senior Management attend Board meetings by invitation. The Chairman provides leadership and guidance to the Board and facilities proper deliberation of all matters requiring the Directors' attention.

To ensure effective control and monitoring of the Group's business, the Board has four main committees namely: the Audit Committee, the Human Resources and Nominations Committee, the Risk and Compliance Committee and the Strategy and Investments Committee.

Audit Committee

The Audit Committee's mandate is to review and report to the Board on the compliance, integrity and major judgmental 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.

Members of the Committee are:

Fiifi Kwakye - *Chairman*
Trevor Trefgarne
Douglas Lacey

The Committee met four times during 2019.

Human Resources and Nominations Committee

The Human Resource and Nominations Committee assists the Board in fulfilling its responsibilities with respect to issues pertaining to the Group's human capital. It determines Executive and Board remuneration after appropriate surveys, and reviews performance contracts annually. Additionally, it is responsible for reviewing the Group Human Resources Policy to ensure that its implementation is in line with its stated objectives.

Following a Board Evaluation conducted in the latter part of 2018, it was recommended that the Committee's scope should be expanded into a Nominations Committee. This was done during 2019 and the Committee is therefore also now charged with reviewing the composition of Group Boards.

Members of the Committee are:

Prof. Angela Ofori- Atta - *Chairperson*
Trevor Trefgarne
Douglas Lacey

The Committee met four times during 2019.

Corporate Governance Statement *(continued)*

Risk and Compliance Committee

The Risk and Compliance Committee oversees the governance, monitoring and control of significant risks within the Group and compliance with all applicable statutory, regulatory internal policy requirements.

Members of the Committee are:

Mrs. Amina Oyagbola - *Chairperson*
Fiifi Kwakye
Francis Koranteng
Abed Botchway
Norman Kelly
Cleland C. Bruce

The Committee met four times during 2019.

Strategy and Investments Committee

The Strategy and 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.

All Directors of the Group company are members of this Committee.

The Committee met four times during 2019.

The Group's Subsidiaries

The Group has four operating subsidiaries, namely:

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

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

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

To further strengthen controls and monitoring of the businesses, the Boards of Enterprise Life, Enterprise Insurance and Enterprise Trustees each has an Audit Committee. Enterprise Life and Enterprise Insurance each has a Strategy & Operations Committee and Enterprise Life also has an Investment Committee.

The heads of the four subsidiaries attend meetings of the Joint Human Resources and Nominations Committee.

Corporate Social Responsibility

In 2019, the Group changed its focus from Corporate Social Responsibility (CSR) to Corporate Social Investment (CSI). Under CSI, activities supported by the Company have long term sustainability because they occupy the sweet spot between alignment with business goals, national / local priorities and have clear socio –economic benefits.
In 2019, the Group's CSI activities were focused on supporting financial literacy and health but also included some philanthropy in the form of donations to a number of institutions.

FINANCIAL LITERACY

The main beneficiaries of our financial literacy program were the Students, teachers and parents of Bishop Mix JHS. The objective of the program among others, was to improve the economic prospects of the beneficiaries by helping them develop financial management skills for saving and investing for the medium to long term. Over a period of 3 months, students, parents and teachers were taken through topics such as how to budget, how to save, how to prepare a will among others. The program content and teaching was all was carried out by staff of the Enterprise Group.

HEALTH

In the area of health, the following activities were undertaken

African Marrow Registry

Enterprise Group provided financial support to the African Marrow Registry in support of the bone marrow donor recruitment across Africa. The donation was made by the Group in support of the Registry's ongoing donor recruitment campaign, tagged the Campaign for a 1000 Lives.
African Marrow Registry is part of the Stem Cell Registry Alliance - a joint initiative of registries and organisations across the UK, Carribean and Africa committed to recruiting donors of African descent. A total of 341 people were registered on the campuses of University of Ghana, Legon, University of Professional Studies and Knutsford University.

Global Outreach Consortium

The Group made a donation to the Global Outreach Consortium , an organization committed to the provision of quality healthcare for the underprivileged. With the support of Enterprise, the organization was able to provide free medical laboratory investigations, imaging, surgical procedure and post-op medication for financially disadvantaged individuals some of whom have battled with serious medical conditions for a long time.

Corporate Social Responsibility *(continued)*

Accra Psychiatric Hospital
In 2019, Enterprise Group continued its partnership with the Accra Psychiatric Hospital Children's ward to put smiles on the faces of inmates. The Staff of Enterprise Group supported the Ward and its children on a quarterly basis with food, toiletries and sanitary items.

Operation Smile, Ghana
Enterprise Group continued its support to Operation Smile, Ghana, an International Charitable Organisation that performs surgeries for children and adults with cleft pallets.

PHILANTHROPY
Enterprise also contributed to a number of projects within various institutions. Beneficiaries of such institutional support include the following;

National Disaster Management Organization (NADMO)
Enterprise group provided financial assistance to the Greater Accra Regional Office of the National Disaster Management Organization to support the institutions' preventive drive in focusing on empowering communities, institutions, societal groups and the general public to be more resilient.

Design & Technology Institute
This was sponsorship of two students of the Design and Technology Institute. It was in support of the training of out-of-school 15-24-year-old boys and girls in courses such as welding, creativity and entrepreneurship.

Ghana Military Camp Base
The business made a donation to the Ghana Military camp base in support of the rehabilitation of their dining hall.

Hope Lite Foundation
The group provided financial assistance to the Hope Lite Foundation in support of their Leadership Revolution Project to empower young adults for future leadership and entrepreneurship opportunities.

Other philanthropic activities include sponsorship of 15 medical students for overseas training.

Report of the Directors
to the Members of Enterprise Group Limited

The Directors present their report and the consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019.

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 consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year 2019 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 in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal controls as they determine are 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 Group and Company and its subsidiaries (the "Group") to continue as going concerns 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.

Principal activities

The Company and its subsidiaries are registered to carry on the business of investments, life and non-life insurance underwriting, pensions funds management, provision of funeral services and real estate development and management. There was no change in the nature of business of the Company and its subsidiaries during the year.

Objectives of the company

The objective of the Group is as stated in its Mission Statement, namely, to give all who come into contact with it their desired advantage because they are the best at what they do.

Subsidiaries of the company

The Company directly or indirectly owns the following subsidiaries as at 31 December 2019:

Company	Country of incorporation	Nature of business
Enterprise Life Assurance Company Limited	Ghana	Underwriting life insurance policies
Enterprise Insurance Company Limited	Ghana	Underwriting non-life insurance policies
Enterprise Trustees Limited	Ghana	Pension funds management
Enterprise Properties Limited	Ghana	Real estate development and management
Enterprise Funeral Services Ghana Limited (Trading as 'Transitions – The Funeral	Ghana	Provision of funeral services
Enterprise Life Assurance Company (Gambia) Limited	Gambia	Underwriting life insurance policies
Seventh Avenue Properties Limited	Ghana	Real estate development and management

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

Five-year financial highlights
The five-year financial highlight are shown on page 2

Financial statements
The state of affairs of the Group and Company are as follows:

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit before tax	**28,659**	49,127	**135,790**	96,639
Profit after tax	**28,735**	42,652	**117,225**	87,949
Total Assets	**470,181**	438,898	**1,499,116**	1,349,343
Total Liabilities	**45,088**	34,711	**832,221**	772,790
Total Equity	**425,093**	404,187	**666,895**	576,553

The Directors recommend payment of a dividend of GHS 0.054 per share. The Directors consider the state of the Group's affairs to be satisfactory.

Particulars of entries in the Interests Register during the financial year
No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

Related party transactions
Information regarding Directors' interests in ordinary shares of the Company is disclosed on page 92 and their remuneration is disclosed in Note 33 to the financial statements. No Director has any other interest in any shares or loan stock of any Group company except as stated. Related party transactions and balances are also disclosed in Note 29 to the financial statements.

Corporate social responsibility and code of ethics
A total of GH¢ 364,831 and GH¢ 93,400 (2018: GH¢ 190,310 and GH¢ 76,000) was spent under the Group and Company's social responsibility programme with key focus on education, health, financial inclusion and others respectively. An extract of the Group Code of Ethics can be found on the Group's website www.enterprisegroup.com.gh.

Board of directors
Profile

Executive	Qualification	Outside board and management position
Keli Gadzekpo	B.Sc Accounting, CPA, MA, Public Administration	Ventures and Acquisitions Ltd, Family Ventures and Offices Ltd; Databank Asset Management; Ecolodge Mole Operating Company; Enterprise Properties Ltd; Enterprise Life Assurance Company Limited; Enterprise Trustees Ltd; Enterprise Funeral Services Ghana Ltd; Seventh Avenue Properties Ltd; WOne Point Payments Limited; Enterprise Insurance Company Limited; Databank Financial Services Ltd; Women's World Bank Ghana Ltd; Saving and Loans Company Ltd; Databank Epack Investment Fund Limited; Structured Capital Ltd; Bank of Ghana; Electricity Company of Ghana Ltd; Grace Strategic Ventures Ltd.

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

Board of directors *(continued)*
Profile

Executive	Qualification	Outside board and management position
Cleland Cofie Bruce Jnr.	ACII, FIIG, MA (Leading Change)	Enterprise Funeral Services Ghana Limited; Enterprise Trustees Limited; Inovare Limited; Enterprise Life Assurance Company (Gambia) Limited
Daniel Larbi-Tieku	B.Sc. Accounting, FCCA, MSc Finance	Enterprise Funeral Services Ghana Limited; Enterprise Life Assurance Company (Gambia) Limited, Randance Company Limited.
Non-Executive	**Qualification**	**Outside board and management position**
Trevor Trefgarne	Graduate of Cranfield School of Management	Enterprise Life Assurance Company Limited; Enterprise Insurance Company Limited and Enterprise Properties Limited.
Martin Eson-Benjamin	B.Sc. Admin, UG	Ecobank Ghana Limited; CFAO Limited; Enterprise Insurance Company Limited and Enterprise Properties Limited.
Prof. Angela Ofori-Atta	BSc, MA, PhD: Psychology	Databank Financial Services Limited; Databank Asset Management Services Limited; Enterprise Funeral Services Ghana Limited; Grace Strategic Ventures Limited.
George Otoo	MBA Insurance Management UK, Diploma WAII Insurance Liberia, Associate ACII UK	Databank Epack Investment Fund; Ghana Reinsurance Company Limited.
Fiifi Kwakye	B.Sc. Accounting, MSc. Finance & Accounting, ICA Ghana, Chartered Institute of Taxation Ghana, Member of Institute of Internal Auditors Ghana.	Afina Asset Management Company Limited; Phlox Services Limited; Enterprise Trustees Limited; Enterprise Life Assurance Company Limited, Seddis Investments
Douglas Lacey	B,Com; Master's Degree in Business Leadership,FCII (UK)	Enterprise Insurance Company Limited Grace Strategic Ventures Limited

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

Board of directors *(continued)*
Profile
Biographical information of 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 its strategic direction and reviewing operating, financial and risk performance. Matters reserved for the Board of Directors include approval of the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, the Annual Financial Statements, dividend policy, significant transactions, appointments to the Board, recruitment of staff above a certain grade and the scope of delegations to Board committees, subsidiary boards and the management committee.

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 internal control systems are designed to manage rather than eliminate the risks and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Group as at the reporting date and no significant failings or weaknesses were identified during this review.

Directors' performance evaluation
The performance and effectiveness of the Board of Directors, its committees and individual directors is evaluated on a periodic basis. The evaluation is conducted by an external facilitator and the results are shared with all members of the Board. Overall, it was noted that the Board of Directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Professional development and training
On appointment to the Board, Directors are taken through an induction programme by which they gain knowledge about the Company's business, the risks and challenges it faces, and the legal and regulatory environment in which it operates. Various strategic and other reviews, together with the selected training programmes provided during the year ensure that Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights about the industry and other developments so the Directors can effectively fulfil their role on the Board and committees of the Board.

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

Conflict of interest
The Company has established appropriate conflicts authorisation procedures whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were 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 ensures that the Chairman is 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.

Auditor
The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of the Group for 4 years. It does not provide non-audit services to the Company.

Audit fees
As at 31st December 20 I 9, the amount payable in respect of audit fees was GH¢ 754,000 and GH¢ 99,000(2018: GH¢ 655,000 and GH¢ 72,000) for the Group and Company respectively.

Approval of the report of the directors
The report of the Directors of Enterprise Group Limited was approved by the Board of Directors on 27 March, 2020 and signed on their behalf by;

Keli Gadzekpo
Group Chief Executive Officer

Fiifi Kwakye
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 and Company"), which comprise the consolidated and separate statement of financial position as at 31 December 2019, and the consolidated and separate 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 51 to 128.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company at 31 December 2019, and of its consolidated and separate financial performance and cash flows for the 31 December 2019 then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992).

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 and Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 liabilities
Refer to Note 21 and 23(b) 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>Insurance contract liabilities comprise the 'life fund and incurred but not reported (IBNR) provision'. At 31 December 2019, the life fund and IBNR provision amounted to GH¢ 569.2million and GH¢ 23.3 million respectively. These make up 71% of the Group's liabilities.

The Directors use judgements to estimate the appropriate level of insurance contract liabilities taking into consideration key assumptions.</td><td>Our audit procedures included, among others
• Tested the design and implementation of 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 in calculating the liabilities;</td></tr>
</table>

<table>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>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.</td><td>• Evaluated the accuracy of prior year's estimates by assessing the outcome of prior period's liabilities; and
• Evaluated the adequacy of 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>
<tr><td colspan="2">Revenue recognition
Refer to Notes 30 and 37 to the consolidated and separate financial statements</td></tr>
<tr><td>The main streams of revenue for the Group include insurance premiums (non-life insurance premium, life premium –individual premium and group premium) and investment income from unlisted debt securities. The gross insurance premium revenue was GH¢ 642.3 million at 31 December 2019. Investment income included interest on unlisted debt securities which was GH¢ 120 million as at the reporting date.

Due to the multiple revenue streams and the different revenue recognition criteria for each revenue stream, there is a tendency that revenue may not be appropriately recognized for some streams of revenue.

In addition, given that revenue is an important measure to both Group and Company's performance targets, there is the likelihood to manipulate this measure to achieve a better financial performance.

On account of the above, we consider revenue recognition as a key audit matter.</td><td>In this area, our audit procedures included, among others:
• Tested the design and implementation and the operating effectiveness of key controls over the recognition of insurance premium;
Non-Life insurance premium
• Assessed whether the data for insurance premiums received included all the relevant information through testing a sample of relevant data fields and their aggregate amounts against data in the source systems;
• Used KPMG Computer Assisted Audit Techniques to assess month on month and year on year trend. Where variances were identified, we obtained an understanding of variances and corroborated managements explanations by vouching to relevant source documents
Life premium –individual premium
• Performed a reconciliation between the deduction reports received from pay points and the Premium Admin System.
• Agreed the amounts per the deduction reports to the general ledger.</td></tr>
</table>

Revenue recognition *(continued)* Refer to Notes 30 and 37 to the consolidated and separate financial statements	
	• Traced sample of premium received to the bank statements. *Life premium –group premium* • Obtained monthly deferral report schedule and recomputed deferred/earned premiums for the year • For unlisted debt securities financial investments, we re-computed the interest earned, taking into consideration the start date, end date and the last interest payment • date; and • Evaluated the adequacy of the Group and Company's disclosures on revenue recognition in the financial statements in accordance with the applicable financial reporting framework.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information which we obtained prior to the date of this auditor's report date the Chairman's Statement, Chief Executive Officer Review, Executive Director's Review (Insurance), Executive Director's Review (Life), General Manager's Review (Trustees), General Manager's Review (Properties), General Manager's Review (Transitions) and the Corporate Governance Statement which is expected to be made available to us after that date, 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 identified above 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 on the other information that we obtained prior to the date of the auditor's report, 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, 2019 (Act 992), 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 and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group and Company'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 and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 and Company's 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- 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 and/or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 and/or Company 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication..

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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, so far as appears from our examination of those books.

The consolidated and separate statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Group and Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).
The engagement partner on the audit resulting in this independent auditor's report is **Frederick Nyan Dennis (ICAG/P/1426).**

KPMG

FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2020/038)
CHARTERED ACCOUNTANTS 13 YIYIWA DRIVE, ABELENKPE
P O BOX GP242
ACCRA
27 March, 2020

Consolidated and Separate Statements of Financial Position

As At 31 December 2019

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
ASSETS	**Note**	**2019**	**2018**	**2019**	**2018**
Deferred tax assets	26	**733**	578	**11,207**	15,457
Investment in subsidiaries	9	**164,400**	164,400	**-**	-
Investment property	8	**-**	-	**270,493**	246,525
Property and equipment	6	**19,609**	6,130	**76,062**	48,039
Intangible assets	7	**-**	-	**1,102**	2,044
Investment securities	11	**2,676**	137,891	**794,153**	791,610
Inventories	28	**-**	-	**416**	238
Loans and receivables	12	**2,410**	-	**13,891**	24,641
Prepayments		**455**	351	**1,823**	5,959
Deferred commission expense	13	**-**	-	**10,102**	8,558
Due from re-insurers	14	**-**	-	**16,497**	15,560
Due from related party	29	**116,694**	93,095	**-**	-
National fiscal stabilization levy receivable		**-**	-	**-**	123
Current tax assets	35	**-**	-	**766**	742
Cash and bank balances	15	**163,204**	36,453	**302,604**	189,847
Total assets		**470,181**	**438,898**	**1,499,116**	**1,349,343**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	16	**258,886**	258,886	**258,886**	258,886
Deposit for shares		**-**	-	**996**	996
Retained earnings	19	**166,207**	145,159	**213,284**	153,780
Foreign currency translation reserve	18	**-**	-	**1,074**	814
Share option reserve	20	**-**	142	**-**	142
Contingency reserve	17	**-**	**-**	**52,426**	42,053
Equity attributable to owners of the company		**425,093**	404,187	**526,666**	456,671
Non-controlling interest	10	**-**	-	**140,229**	119,882
Total equity		**425,093**	404,187	**666,895**	576,553
Liabilities					
Life fund	21	**-**	-	**569,252**	492,556
Lease liability	45	**14,135**	-	**7,219**	-
Deferred tax liabilities	26	**-**	-	**-**	2,557
Loans and borrowings	27	**-**	-	**43,136**	75,154
Policy holder retention scheme		**-**	-	**2,300**	2,224
Unearned premiums and unexpired provision	22	**-**	-	**40,000**	35,255
Outstanding claims	23	**-**	-	**36,014**	33,612
Trade and other payables	24	**6,274**	5,614	**65,382**	68,058
Deferred commission income	25	**-**	-	**7,700**	6,224
Due to re-insurers	14	**-**	-	**13,195**	21,235
Due to related parties	29	**21,933**	21,933	**42,434**	27,076
National fiscal stabilization levy payable	34	**-**	-	**881**	774
Current tax liabilities	35	**2,746**	7,164	**4,708**	8,065
Total liabilities		**45,088**	34,711	**832,221**	772,790
Total equity and liabilities		**470,181**	438,898	**1,499,116**	1,349,343

These financial statements were approved by the Board of Directors on 27 March, 2020 and are signed on its behalf by:

Keli Gadzekpo
Group Chief Executive Officer

Fiifi Kwakye
Director

The notes on pages 57 to 128 are an integral part of these financial statements

Consolidated and Separate Statements of Comprehensive Income

As At 31 December 2019

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
	Note	**2019**	**2018**	**2019**	**2018**
Investment income	30	44,574	35,591	114,398	98,889
Fair value loss on investment property	8	-	-	(19,762)	(2,238)
Exchange difference on valuation of investment property	8	-	-	35,870	21,580
Investment expenses		-	-	(2,498)	(3,753)
Net investment income		**44,574**	**35,591**	**128,008**	**114,478**
Gross insurance premium	37	-	-	642,279	542,558
Insurance premium ceded to reinsurers	37	-	-	(101,664)	(87,085)
Net insurance premium	**37**	**-**	**-**	**540,615**	**455,473**
Change in unearned premium	22	-	-	(4,745)	(2,043)
Net insurance premium revenue		**-**	**-**	**535,870**	**453,430**
Gain on disposal of 30% share in EPL	40(b)	-	28,389	-	6,531
Other income	31	4,233	2,144	50,210	32,728
		4,233	30,533	50,210	39,259
Net income		**48,807**	**66,124**	**714,088**	**607,167**
Insurance benefits and claims	32	-	-	(249,615)	(223,650)
Change in life fund	21	-	-	(75,731)	(59,923)
Net benefits and claims		**-**	**-**	**(325,346)**	**(283,573)**
Finance cost	46	(3,191)	-	(8,426)	(7,472)
Impairment loss on financial assets	4	-	-	333	(4,400)
Investment property write off	8	-	-	(4,781)	-
Operating expenses	33	(16,957)	(16,997)	(163,798)	(147,546)
Commission expense	38	-	-	(97,480)	(84,493)
Commission income	39	-	-	21,200	16,956
Net expenses		**(20,148)**	**(16,997)**	**(578,298)**	**(510,528)**
Profit before national fiscal stabilisation levy and income tax		28,659	49,127	135,790	96,639
National fiscal stabilisation levy	34	-	-	(6,073)	(4,442)
Income tax credit /(expense)	35	76	(6,475)	(12,492)	(4,248)
Profit for the year		**28,735**	**42,652**	**117,225**	**87,949**
Other comprehensive income					
Items that may be reclassified to profit or loss:		-	-	346	88
Foreign operations - translation difference		-	-	346	88
Total comprehensive income for the year		**28,735**	**42,652**	**117,571**	**88,037**
Profit Attributable to:					
Owners of the parent		28,735	42,652	79,634	51,856
Non-controlling interest		-	-	37,591	36,093
		28,735	**42,652**	**117,225**	**87,949**
Total comprehensive income attributable to:					
Owners of the parent		28,735	42,652	79,894	51,922
Non-controlling interest		-	-	37,677	36,115
		28,735	**42,652**	**117,571**	**88,037**
Earnings per share for profit attributable to the equity holders of the company during the year					
Basic (GH¢ per share)		0.168	0.250	0.466	0.303
Diluted (GH¢ per share)		0.168	0.250	0.466	0.302

The notes on pages 57 to 128 are an integral part of these financial statements

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Contingency reserve	Total	Non controlling interest	Total Equity
Balance at 1 January 2018	37,268	-	37,268	748	1,836	32,945	220,275	88,504	308,779
Total comprehensive income									
Profit for the year	-	-	51,856	-	-	-	51,856	36,093	87,949
Currency translation difference	-	-	-	66	-	-	66-	22	88
Total comprehensive income	-	-	51,856	66	-	-	51,922	36,115	88,037
Transfer to contingency reserve	-	-	(9,108)	-	-	9,108	-	-	-
Transactions with owners of the company									
Proceeds from rights issue share	219,721	-	-	-	-	-	219,721	-	219,721
Proceeds from vested from share option	1,462	-	-	–	-	-	1,462	-	1,462
Transfer from share option reserve	435	-	-	-	(435)	-	-	-	-
Transactions cost for right issue	-	-	(3,610)	-	-	-	(3,610)	-	(3,610)
– Dividends to non-controlling interest - ELAC	-	-	-	-	-	-	-	(15,200)	(15,200)
– Dividends to non-controlling interest - ETL	-	-	-	-	-	-	-	(600)	(600)
Share option scheme:	-	-	-	-	–	-	-	-	-
– Value of employee services (Note 44)	-	-	-	-	(1,259)-	-	(1,259)	-	(1,259)
Acquisition of a portion of NCI without a change in control	-	-	(8,533)	-	-	-	(8,533)-	(13,240)	(21,773)
Disposal of 30% shares in EPL without a change in control	-	-	(24,303)	-	-	-	(24,303)	24,303	-
Proceeds from capital injection from BSHL	-	996	-	-	-	-	996	-	996
Total transactions with owners of the Company	221,618	996	(36,446)	-	(1,694)	-	184,474	(4,737)	179,737
Balance at 31 December 2018	**258,886**	**996**	**153,780**	**814**	**142**	**42,053**	**456,671**	**119,882**	**576,553**

The notes on pages 57 to 128 are an integral part of these financial statements

enterprise GROUP
Your Advantage

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Contingency reserve	Total	Non controlling interest	Total Equity
Balance at 1 January 2019	258,886	996	153,780	814	142	42,053	456,671	119,882	576,553
Total comprehensive income									
Profit for the year	-	-	79,634	-	-	-	79,634	37,591	117,225
Currency translation difference		-	-	260	-	-	260	86	346
Total comprehensive income	-	-	79,634	260	-	-	79,894	37,677	117,571
Transfer to contingency reserve	-	-	(10,373))	-	-	10,373	-	-	-
Transactions with owners of the company	-	-							
Write off of share option reserve		-	-	–	(142)	-	(142)	-	(142)
- Dividends to non-controlling interest -ELAC	-	-	-	-	-	-	-	(19,200)	(19,200)
- Dividends to non-controlling interest -ETL		-	-	-	-	-	-	(200)	(200)
- Transactions with NCI	-	-	(2,070)	-	-	-	(2,070)	2,070	-
- Dividend declared	-	-	(7,687)	-	-	-	(7,687)	-	(7,687)
Total transactions with owners of the Company	-	-	(9,757)	-	(142)	-	(9,899)	(17,330)	(27,229)
Balance at 31 December 2019	**258,886**	**996**	**213,284**	**1,074**	**-**	**52,426**	**526,666**	**140,229**	**666,895**

The notes on pages 57 to 128 are an integral part of these financial statements

Separate Statement of Changes in Equity

For The Year Ended 31 December 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Retained earnings	Share option reserve	Total Equity
Balance at 1 January 2018	37,268	106,117	1,836	145,221
Total comprehensive income				
Profit for the year	-	42,652	-	42,652
Total comprehensive income	-	42,652	-	42,652
Transactions with owners of the company				
Proceeds from rights issue	219,721	-	-	219,721
Proceeds from vested share option	1,462	-	-	1,462
Transfer from share option reserve	435	-	(435)	-
Transactions cost for right issue	-	(3,610)	-	(3,610)
Share option scheme:	-	-	-	-
- Value of employee services (Note 44)	-	-	(1,259)	(1,259)
Total Transactions with owners of the company	221,618	(3,610)	(1,694)	216,314
Balance at 31 December 2018	**258,886**	**145,159**	**142**	**404,187**
Balance at 1 January 2019	258,886	145,159	142	404,187
Total comprehensive income				
Profit for the year		28,735	-	28,735
Total comprehensive income	-	28,735	-	28,735
Transactions with owners of the company				
Write off of share option reserve	-	-	(142)	(142)
Dividend declared	-	(7,687)	-	(7,687)
Total Transactions with owners of the company	-	(7,687)	(142)	(7,829)
Balance at 31 December 2019	**258,886**	**166,207**	**-**	**425,093**

The notes on pages 57 to 128 are an integral part of these financial statements

Consolidated and Separate Statements of Cash Flows

For The Year Ended 31 December 2019

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
	Note	2019	2018	2019	2018
Cash flows from operating activities					
Cash (used in)/generated from operations	41	(47,272)	(25,203)	127,026	64,649
Investment income received		17,917	9,254	124,595	101,236
Interest paid on lease liabilities		(1,219)	-	(809)	-
Interest paid on loans and borrowings		-	-	(7,215)	(7,439)
Income tax paid	35	(4,497)	(33)	(14,183)	(8,641
National fiscal stabilisation levy paid	34	-	-	(5,843)	(3,830)
Net cash (used in)/ from operating activities		(35,071)	(15,982)	223,571	145,975
Cash flows from investing activities					
Purchases of equity securities	11	-	-	(4,137)	(21,778)
Proceeds from sale of equity securities	11	-	-	493	324
Net purchase of unlisted debt securities		45,681	(48,012)	(97,735)	(108,860
Acquisition of investment property	8	-	-	(5,931)	(9,944)
Acquisition of property and equipment	6	(3,322)	(5,859)	(20,754)	(16,815)
Proceeds from sale of property and equipment	6	106	62	416	617
Purchase of intangible assets	7	-	-	-	(884)
Proceeds from net sale and buy back of shares		-	3,955	-	3,955
Dividend received from subsidiaries		37,800	15,800	-	-
Dividend received from equity securities held		1	28	3,494	1,006
Net cash generated/(used in)from investing activities		80,266	(34,026)	(124,154)	(152,379)
Cash flows from financing activities					
Dividends paid to non-controlling interest	36	-	-	(27,131)	(23,209)
Dividends paid to equity shareholders		(7,687)	-	(7,687)	-
Proceeds from issue of shares	16	-	219,720	-	219,720
Proceeds from vested shares	16	-	1,463	-	1,463
Payment to BSHL for share buy back in ELAC		-	(82,328	-	(82,328)
Repayment of loan principal		-	-	(40,760)	-
Transaction cost paid on right issue		-	(3,610)	-	(3,610)
Proceeds from capital injection from BSHL		-	-	-	8,585
Principal lease payments		(1,332)	-	(2,143)	-
Net cash (used in)/ generated from financing activities		(9,019)	135,245	(77,721)	120,621
Net increase in cash and cash equivalents		36,176	85,237	21,696	114,217
Cash and cash equivalents at beginning of year	15	122,901	35,478	291,921	173,643
Effect of exchange difference on cash held		4,127	2,186	8,558	4,061
Cash and cash equivalents at end of year	15	**163,204**	**122,901**	**322,175**	**291,921**

The notes on pages 57 to 128 are an integral part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 December 2019
(All amounts are in thousands of Ghana cedis)

1. GENERAL INFORMATION

The Company is a limited liability company incorporated under the Companies Act 2019 (Act 992) and domiciled in Ghana.

The consolidated financial statements as at and for the year ended 31 December 2019 comprise the company and its subsidiaries (together referred to as the "Group"). The separate financial statements as at and for the year ended 31 December 2019 comprise the financial statements of the Company.

The Company is listed on the Ghana Stock Exchange.

2 BASIS OF PREPARATION

2.1 Basis of accounting

The consolidated and separate financial statements ('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 the following measured at fair value;

- investment properties;,
- insurance contract liabilities; and
- financial assets held at fair value through profit or loss which have been measured at fair value.

The Group presents its Statements of financial position broadly in order of liquidity, in a decreasing order of liquidity.

Details of the Group's accounting policies are included in Notes 3.

2.2 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 thousands, except when otherwise stated.

2.3 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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 3.5 Classification of dual-use property.

2.4 Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 3.5 Classification of dual-use property.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. 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.

3.1 Basis of consolidation

3.1.1 Business Combination

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 IFRS 9 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.

3.1.2 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.

3.1.2.1 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.

3.1.3 Non Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions (except for foreign exchange differences) and any unrealized income and expenses rising from intra-group transactions, are eliminated.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.1.5 Separate financial statements

In the separate financial statements, investments in subsidiaries 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.

3.2 Foreign Currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated and recorded in the respective functional currencies of the Group and its subsidiaries at the average exchange rates as of the date of the transaction. The functional currency of the Group is Ghana cedis.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was measured. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated to the functional currency at the exchange rate date of the transaction. Foreign currency differences are generally recognized in profit or loss.

3.2.2 Foreign operations

The assets and liabilities of foreign operations are translated into Ghana Cedis at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Ghana Cedis at the average rate.

Foreign currency differences are recognized in OCI and accumulated in the currency translation reserve except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to the foreign operations is reclassified to profit or loss as part of the gain or loss on disposal. If the group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is reattributed to NCI.

3.3 Property and Equipment

3.3.1 Recognition and measurement

Property and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

3.3.2 Subsequent expenditure

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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.3 Property and Equipment *(continued)*

3.3.2 Subsequent expenditure (continued)

The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3.3.3 Depreciation

The Group uses the straight-line method in depreciating its assets. The depreciation method, residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Building	2.5% - 4%
Motor vehicles	25%
Furniture and fittings	12.5% - 25%
Office equipment	20% - 25%
Right-of-use-asset	Over the lease term

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

3.3.4 Derecognition

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.

3.3.5 Capital work in progress

Property and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property and equipment when commissioned and ready for its intended use.

3.4 Intangible assets

3.4.1 Recognition and measurement

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

3.4.2 Subsequent expenditure

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.

3.4.3 Amortization

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 licence 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.

3.4.4 Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.4 Intangible assets *(continued)*

3.4.4 Derecognition (continued)

Gains or losses on derecognition of an item of property and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

3.5 Investment Property

3.5.1 Recognition and measurement

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.

3.5.2 Subsequent expenditure

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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.5 Investment Property *(continued)*

3.5.2 Subsequent expenditure *(continued)*

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.

3.5.3 Derecognition

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..

3.5.4 Reclassification to property and equipment

If an investment property becomes owner occupied, it is reclassified as property 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.

3.5.5 Dual-use property

Properties that are partly held to earn rentals and partly held for own-use activities such as administrative purposes or supply of services are considered dual-use properties. This would result in the portion held for rental being investment property and the other portion as property and equipment if these portions could be sold separately or leased out separately under a finance lease. Otherwise, the entire property is classified as investment property only if an insignificant portion of the property is held for own-use activities. The Group considers an own-use portion below 25% of the measure to be insignificant.

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.

3.6 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash flows of other assets or CGUs.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.6 Impairment of non-financial assets *(continued)*

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset or CGU.

3.7 Changes in significant accounting policies

The Group initially applied the IFRS 16 Leases from 1 January 2019.

A number of other new standards are also effective from 1 January 2019, but they do not have a material effect on the Company's financial statements.

A Leases

The Group applied IFRS 16 using the modified retrospective approach to account for lease liability and right of use of assets as at 1 January 2019 respectively. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information

i. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 3.7(iv).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFIRC 4 were not reassessed for whether there is a lease under IFRS 16.

ii. As a lessee

As a lessee, the Group leases some branch and office premises. The Group previously classified these leases as operating leases under IAS 17 based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group.
Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for leases of branch and office premises –i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand- alone price.

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019 (See Note 3.7(iv)

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.7 Changes in significant accounting policies *(continued)*

A Leases *(continued)*

ii. As a lessee *continued)*

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:
- relied on its assessment of whether leases are onerous under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review;
- did not recognise right-of-use assets and liabilities for leases which the term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

iii. As a lessor

The Group leases out certain properties. The Group had classified these leases as follows:
- Operating leases of investment property: Note 3.8

The Group is not required to make any adjustments -on transition to IFRS 16 for leases in which it acts as a lessor.

The Group has applied IFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

iv. Impact on financial statement

Impact on Transition

On transition to IFRS 16, the Group recognized additional right-of-use assets and additional lease liabilities. The impact on transition is summarized below:

	1 January 2019	
	The Company GH¢'000	**The Group GH¢'000**
Right-of-use assets presented in property and equipment	13,495	12,709
Lease liabilities	13,495	8,742
Prepayments	-	(3,967)

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 5.85% and 21.35% for US$ and GH¢ leases respectively

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.7 Changes in significant accounting policies *(continued)*

A Leases *(continued)*

iv. Impact on financial statemen *(continued*

	1 January 2019	
	The Company GH¢'000	**The Group GH¢'000**
Operating lease commitments at 31 December 2018 as disclosed under IAS 17 in the Group's consolidated financial statements	15,282	8,045
Discounted using the incremental borrowing rate at 1 January 2019	10,638	5,593
Extension option reasonably certain to be exercise	2,857	3,149
Lease liabilities recognized at 1 January 2019	13,495	8,742

3.8 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRC
4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from 1 January 2019

Payments made under operating leases are recognized in profit or loss 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.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16

This policy is applied to contracts entered into, on or after 1 January 2019.

i. Group acting as the lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand- alone prices.

The Group recognises a right-of-use asset and a lease liability at the commencement date. The right- of-use asset is initially measured at cost, which comprises an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Leases *(continued)*

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

Short term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

ii. Group acting as the lessor
At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Leases *(continued*

iv. Impact on financial statemen *(continued*

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Policy applicable before 1 January 2019
For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:
- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset.

i *As a lessee*
The Group did not have any finance leases under IAS 17.
Assets held under other leases were classified as operating leases and were not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii *As a lessor*
When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

3.9 Financial assets and financial liabilities

3.9.1 Recognition and initial measurement
The Group recognises deposits with financial institutions and loans and borrowings on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.9.2 Classification and subsequent measurement
Classification
On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.2 Classification and subsequent measurement *(continued)*

Financial assets are not reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above
are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment
The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.2 Classification and subsequent measurement *(continued)*

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation; but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the

Financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time -e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs). as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Groups claim to cash flows from specified assets - e.g. non-recourse asset arrangements; and
- features that modify consideration of the time value of money - e.g. periodic reset of interest rates.

A prepayment feature is consistent with the 'solely payments of principal and interest' criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

In addition, for a financial asset acquired at a premium or discount to its contractual amount. a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.2 Classification and subsequent measurement *(continued)*

Classification	**Measurement**
Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.
Financial assets at amortised cost	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities

Classification
The Group classifies its financial liabilities, other than financial guarantees into one of the following categories:
- financial liabilities at amortised cost.

Subsequent measurement and gains and losses

Classification	**Measurement**
Financial liabilities at amortised cost	Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.9.3 Offsetting
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

3.9.4 Interest income and expense
Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial asset's, adjusted for any loss allowance.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.4 Interest income and expense *(continued)*

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition	If the financial asset is not credit-impaired, then interest income is calcu-lated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset. but not ECL. If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective in-terest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For information on when financial assets are credit-impaired.
Financial assets not credit-impaired on initial recognitiont	Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.
Financial liabilities	Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue on financial assets not measured at FVTPL and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI calculated on an effective interest basis.

Interest income and expenses were recognised in profit or loss using the effective interest method. The effective interest rate was the rate that exactly discounted the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimated future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate included transaction costs and fees and points paid or received that were an integral part of the effective interest rate. Transaction costs were
incremental costs that were directly attributable to the acquisition or issue of a financial asset or financial liability.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.4 Interest income and expense *(continued)*

Interest revenue on financial assets not measured at FVTPL and other finance costs presented in profit or loss included interest on financial assets and financial liabilities measured at amortised cost and available-for-sale financial assets calculated on an effective interest basis.

3.9.5 Impairment

The Group recognises loss allowances for ECL on:

- financial assets measured at amortised cost;

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECL are the portion of ECL that results from default events that are possible within the 12 months after the reporting date.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses and are measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls- i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive; and

- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Group on terms that the Group would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.5 Impairment (continued)

- the disappearance of an active market for a security because of financial difficulties.
A financial asset that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In assessing whether an investment in sovereign debt is credit-impaired, the Group considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessments of creditworthiness;
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms, including an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of loss allowances in the statement of financial position
Loss allowances for ECL are presented as follows:
- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.9.6 Derecognition and contract modification
Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. For debt investments at FVOCI and financial assets that had already been derecognised at 1 January 2018, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated as at FVOCI is not reclassified to profit or loss.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.9 Financial assets and financial liabilities *(continued)*

3.9.6 Derecognition and contract modification (continued)

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases. the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement. determined by the extent to which it is exposed to changes in the value of the transferred asset.

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If a financial asset measured at amortised cost is modified but not substantially, then the financial asset is not derecognised. If the asset had not been derecognised at 1 January 2018, then the Group recalculates the gross carrying amount of the financial asset by discounting the modified contractual cash flows at the original effective interest rate and recognises the resulting adjustment to the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower. then the gain or loss is presented together with impairment losses; in other cases, it is presented as interest revenue.

Financial liabilities

The Group generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Notwithstanding the above, when, and only when, the Group repurchases its financial liability and includes it as an underlying item of direct participating contracts, the Group may elect not to derecognise the financial liability. Instead, the Group may elect to continue to account for that instrument as a financial liability and to account for the repurchased instrument as if it were a financial asset and measure it at FVTPL. This election is irrevocable and is made on an instrument-by-instrument basis.

3.10 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

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 more than the benefits payable if the insured event did not occur.

3.10.1 Recognition and measurement

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

3.10.1.1 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

3.10.1.1 Non-life insurance contracts

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 retained earnings.

3.10.1.2 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 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.

3.10.2 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 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 classifications are 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

3.10.1.2 Life Insurance contract (continued)

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.

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.

3.10.3 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 3.9

3.10.4 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.

3.10.5 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

3.10.5 Life insurance liability valuation basis and methodology (continued)

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.

3.11 Current tax and deferred tax

Income tax expense comprise 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

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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.11 Current tax and deferred tax *(continued)*

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..

3.12 Stated capital

Ordinary shares are classified as equity and presented as stated capital. All shares are issued at no par value.

3.13 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.

3.14 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.

3.15 Revenue recognition

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

3.15.1 Premium income

The accounting policy in relation to revenue from insurance contracts is disclosed in Note 3.10.

3.15.2 Dividend income

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

3.15.3 Rental income

Rental income from investment property 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.

Revenue from investment property includes rental income, and service charges and management charges from properties.

3.15.4 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.15 Revenue recognition *(continued)*

3.15.5 Sale of goods and rendering of services

Revenue is measured based on the consideration specified in a contract with a customer. The group recognises revenue when it has transferred control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

Type of product or service	Nature and timing of the satisfaction of performance obligations	Revenue recognition policies.
Pension management fee	Invoices for pension management fees are issued when service has been rendered. Payments are received 30 days after the invoice is raised and revenue is recognised based on performance obligations being met.	Revenue is recognised over time as the services are provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices.
Sale of caskets	Customers obtain control of caskets when the goods are delivered to and have been accepted at their premises.	Revenue is recognised when goods have been delivered to the customers..
Funeral services	Invoices for funeral services are issued when service has been rendered. Payments are received in advance and revenue is recognised based on performance obligations being met	Revenue is recognised over time as the services are provided. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices.

3.16 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.

3.17 Commission expenses

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

3.18 Policyholder benefits

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

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.19 Employee benefits

3.19.1 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.

3.19.2 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.

Provident fund

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

3.20 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.

3.21 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).

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.21 Share option*(continued)*

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.

3.22 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.

3.23 New Standards and Interpretations issued not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020 and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Group and Company are set out below. The Group and Company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Effective for the financial year commencing 1 January 2020

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Effective for the financial year commencing 1 January 2023

- IFRS 17 Insurance Contracts

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.23 New Standards and Interpretations issued not yet adopted *(continued)*

Amendments to References to Conceptual Framework in IFRS Standards *(continued)*
The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

The Group is yet to assess the effect of the standard on its financial statements.

Definition of a Business (Amendments to IFRS 3)
Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted.

The Group is yet to assess the effect of the standard on its financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)
The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.23 New Standards and Interpretations issued not yet adopted *(continued)*

Definition of Material (Amendments to IAS 1 and IAS 8) *(continued)*
"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from I*AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

The Group is yet to assess the effect of the standard on its financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform.

The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

The amendments are effective from 1 January 2020. Early application is permitted.

The Group is yet to assess the effect of the standard on its financial statements.

IFRS 17 Insurance Contracts
IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.

The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.

The entity is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements.

The standard is effective for annual periods beginning on or after 1 January 2021. Early adoption is permitted.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

4.1 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.

4.1.1 Management of non-life insurance risk

The risk under any one 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 an insurance contract, this risk is random and therefore unpredictable.

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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.1 Insurance risk *(continued)*

4.1.1 Management of non-life insurance risk *(continued)*

(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.

4.1.2 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

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 (continued)

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 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.1 Insurance risk *(continued)*

4.1.2 Limiting exposure to non-life insurance risk *(continued)*

(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. Predetermined criteria are observed at all times other than where specific written permission has been obtained from the board of directors.

4.1.3 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.1 Insurance risk *(continued)*

4.1.4 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. The assumptions used in the insurance contracts are disclosed in Note 5.1.

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.

4.2 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.1 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.

4.2.1.1 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 and the Group's exposure to foreign currency risk based on notional amounts at the year-end was as follows:

31 December 2019	The Company			The Group		
	USD	**GBP**	**EUR**	**USD**	**GBP**	**EUR**
Asset	**000**	**000**	**000**	**000**	**000**	**000**
Cash and cash equivalents	24,962	-	-	30,906	85	659
Due from reinsurers	-	-	-	1,749	132	111
	24,962	-	-	32,655	217	770
Liabilities						
Loans and borrowings	-	-	-	(7,541)	-	-
Due to reinsurers	-	-	-	(1,130)	(20)	(143)
Lease liabilities	(2,471)	-	-	(876)	-	-
Net Exposure	**22,491**	**-**	**-**	**23,108**	**197**	**627**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.1.1 Foreign exchange risk *(continued)*

31 December 2018	**The Company**			**The Group**		
	USD	**GBP**	**EUR**	**USD**	**GBP**	**EUR**
Asset	**000**	**000**	**000**	**000**	**000**	**000**
Cash and cash equivalents	4,403	-	-	8,534	126	775
Due from reinsurers	-	-	-	2,159	121	26
	4,403	-	-	10,693	247	801
Liabilities						
Loans and borrowings	-	-	-	(15,091)	-	-
Due to reinsurers	-	-	-	(2,681)	(140)	(22
Net Exposure	**4,403**	**-**	**-**	**(7,079)**	**107**	**779**

The following significant exchange rates were applied during the year:

	Average Rate		**Year-end spot rate**	
	2019	**2018**	**2019**	**2018**
USD 1	5.430	4.723	5.720	4.980
GBP 1	5.846	6.132	6.469	6.343
EUR 1	6.846	5.432	7.563	5.695

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

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:

	Profit or loss		**Equity, net of tax**	
The Company	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
USD (5% movement)	(6,432)	6,432	(4,824)	4,824
31 December 2018				
USD (5% movement)	(1,096)	1,096	(822)	822
The Group				
31 December 2019				
USD (5% movement)	(6,609)	6,609	4,957)	4,957
GBP (5% movement)	(64)	64	(48)	48
EUR (5% movement)	(237)	237	(178)	178

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.1.1 Foreign exchange risk *(continued)*

	Profit or loss		Equity, net of tax	
The Group	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
USD (5% movement)	1,763	(1,763)	1,322	(1,322)
GBP (5% movement)	(30)	30	(23)	23
EUR (5% movement)	(247)	247	(185)	185

4.2.1.2 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	
Fixed-rate instruments	**2018 GH¢'000**	**2017 GH¢'000**	**2018 GH¢'000**	**2017 GH¢'000**
Unlisted debt securities	634	135,854	699,443	685,966
Lease liabilities	(14,135)	-	(7,219)	-
	(13,501)	**135,854**	**692,224**	**685,966**
Variable-rate instruments				
Loans and borrowings	-	-	(43,136)	(75,154)
	-	**-**	**(43,136)**	**(75,154)**

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.

	Profit or loss		Equity, net of tax	
The Company	**Increase**	**Decrease**	**Increase**	**Decrease**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fixed rate instruments	(68)	68	(51)	51

	Profit or loss		Equity, net of tax	
The Company	**Increase**	**Decrease**	**Increase**	**Decrease**
31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fixed rate instruments	679	(679)	509	(509)

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.1.2 Interest rate risk *(continued)*

The Group	Profit or loss		Equity, net of tax	
	Increase	**Decrease**	**Increase**	**Decrease**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fixed rate instruments	3,461	(3,461)	2,596	(2,596)
Variable-rate instruments	(216)	216	(162)	162
31 December 2018				
Fixed rate instruments	3,430	(3,430)	2,572	(2,572)
Variable-rate instruments	(376)	376	(282)	282

4.2.1.2 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 2019 the Group and Company had total listed equity security amounting to GH¢ 94.7 million and GH¢2 million respectively. If there was a 50 basis points increase or increase in share prices of the Group and Company'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¢ 355,10 and GH¢ 10,000 after tax respectively (2018: GH¢ 396,170 and GH¢ 10,000).

4.2.2 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 counterparties, 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.2 Credit risk *(continued)*

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	
	2018 GH¢'000	2017 GH¢'000	2018 GH¢'000	2017 GH¢'000
Equity securities	2,042	2,037	94,710	105,644
Debt securities	634	135,854	699,443	685,966
Cash and bank balances	163,204	36,453	302,604	189,847
Amount due from related parties	116,694	93,095	-	-
Due from reinsurers	-	-	16,497	15,560
Loans and receivables	2,410	-	13,891	23,550
	284,984	**267,439**	**1,127,145**	**1,020,567**

Except for due from reinsurers, matured investment receivable and receivable due from tenant none of the Group's financial assets are neither past due nor impaired at 31 December 2019 and 31 December 2018. The Group does not hold any collateral security.

None of the Company's financial assets are neither past due nor impaired at 31 December 2019 and 31 December 2018. The Company does not hold any collateral security.

Below is the analysis of the Group's impairment on financial assets for 2019 and 2018.

	2019				2018
	Reinsurance receivable	Due from tenants	Matured investment receivable	Total	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Impairment as at January 1	5,900	-	-	5,900	1,500
(Released)/charge for year	(4,723)	390	4,000	(333)	4,400
Balance as at December 31	1,177	390	4,000	5,567	5,900

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.3 Liquidity risk

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:

	Contractual cash flows (undiscounted)				
The Company	**Carrying amount**	**Up to One year**	**Over 1 year**	**Above Five years**	**Total**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Trade and other payables	6,274	6,274	-	-	6,274
Due to related parties	21,933	21,933	-	-	21,933
Lease liabilities	14,135	2,352	11,762	5,506	19,620
	42,342	30,559	11,762	5,506	47,827
31 December 2018					
Trade and other payables	5,614	5,614	-	-	5,614
Due to related parties	21,933	21,933	-	-	21,933
	27,547	**27,547**	**-**	**-**	**27,547**
The Group					
31 December 2019					
Loans and borrowings	43,136	19,294	33,627	-	52,921
Trade and other payables	65,382	65,382	-	-	65,382
Due to re-insurers	13,195	13,195	-	-	13,195
Due to related parties	42,434	42,434	-	-	42,434
Lease liabilities	7,219	2,266	4,191	5,220	11,677
	171,366	**142,571**	**37,818**	**5,220**	**185,609**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.2 Financial risk *(continued)*

4.2.3 Liquidity risk *(continued)*

	Contractual cash flows (undiscounted)				
The Group	**Carrying amount**	**Up to One year**	**Over 1 year**	**Above Five years**	**Total**
31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Loans and borrowings	75,154	22,457	75,065	-	97,522
Trade and other payables	76,865	76,865	-	-	76,865
Due to re-insurers	21,235	21,235	-	-	21,235
Due to related parties	27,076	27,076	-	-	27,076
	200,330	**147,633**	**75,065**	**-**	**222,698**

4.3 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.

31 December 2019 **Entity**	**Nature of activity**	**Regulatory capital held**	**Minimum regulatory capital requirement**
Enterprise Insurance Company Limited	General Insurance	22,905	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	1,000	1,000

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.3 Capital management

31 December 2018 **Entity**	**Nature of activity**	**Regulatory capital held**	**Minimum regulatory capital requirement**
Enterprise Insurance Company Limited	General Insurance	22,905	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	1,000	1,000

4.4 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.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.4 Accounting classifications and fair values

The Company	Amortised cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets measured at fair value							
Listed equity securities	-	-	2,034	2,034	2,034	-	-
	-	**-**	**2,034**	**2,034**	**2,034**	**-**	**-**
Financial assets not measured at fair value							
Treasury bills	135,854	-	-	135,854	-	-	-
Due from related parties	93,095	-	-	93,095	-	-	-
Cash and bank balances	36,453	-	-	36,453	-	-	-
	265,402	**-**	**-**	**265,402**	**-**	**-**	**-**
Financial liabilities not measured at fair value							
Trade and other payables	5,614	-	-	5,614	-	-	-
Due to related parties	21,933	-	-	21,933	-	-	-
	27,547	**-**	**-**	**27,547**	**-**	**-**	**-**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.4 Accounting classifications and fair values *(continued)*

The Group	**Amortised cost**	**Fair value through OCI**	**Fair value through profit or loss**	**Total**	**Level 1**	**Level 2**	**Level 3**
31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets measured at fair value							
Listed equity securities	-	-	94,707	94,707	94,707	-	-
	-	**-**	**94,707**	**94,707**	**94,707**	**-**	**-**
Financial assets not measured at fair value							
Fixed deposits	2,117	-	-	2,117	-	-	-
Treasury bills	160,022	-	-	160,022	-	-	-
Bonds	521,304	-	-	521,304	-	468,784	-
Matured investment receivable	20,000	-	-	20,000	-	-	-
Loans and receivables	13,891	-	-	13,891	-	-	-
Due from re-insurers	16,497	-	-	16,497	-	-	-
Cash and bank balances	302,604	-	-	302,604	-	-	-
	1,036,435	**-**	**-**	**1,036,435**	**-**	**468,784**	**-**
Financial liabilities not measured at fair value							
Loans and borrowings	43,136	-	-	43,136	-	-	-
Trade and other payables	65,382	-	-	65,382	-		-
Due to re-insurers	13,195	-	-	13,195	-		-
Due to related parties	42,434	-	-	42,434	-		-
Lease liabilities	7,219	-	-	7,219	-		-
	171,366	**-**	**-**	**171,366**	**-**		**-**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

4 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

4.4 Accounting classifications and fair values *(continued)*

The Group	Amortised cost	Fair value through OCI	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets measured at fair value							
Listed equity securities	-	-	105,641	105,641	105,641	-	-
	-	**-**	**105,641**	**105,641**	**105,641**	**-**	**-**
Financial assets not measured at fair value							
Fixed deposits	14,594	-	-	14,594	-	-	-
Bonds	403,911	-	-	403,911	-	225,608	-
Treasury bills	267,461	-	-	267,461	-	-	-
Loans and receivables	24,641	-	-	24,641	-	-	-
Due from re-insurers	15,560	-	-	15,560	-	-	-
Cash and bank balances	189,847	-	-	189,847	-	-	-
	916,014	**-**	**-**	**916,014**	**-**	**225,608**	**-**
Financial liabilities not measured at fair value							
Loans and borrowings	75,154	-	-	75,154	-	-	-
Trade and other payables	68,058	-	-	68,058	-		-
Due to re-insurers	21,235	-	-	21,235	-		-
Due to related parties	27,076	-	-	27,076	-		-
	191,523	**-**	**-**	**191,523**	**-**		**-**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

5 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:

5.1 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 analysed 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 2018 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 table presents the sensitivity of the value of insurance liabilities disclosed in this note to movements in the assumptions used in the estimation of insurance liabilities.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

	Change in variable	Change in Liability	
Variable		**2019 GH¢'000**	**2018 GH¢'000**
Worsening in mortality	+1% p.a	153	142
Worsening of expense inflation	+1% p.a	3,110	2,369
Worsening of lapse rate	+20%	999	1,027

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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

5.5.1 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.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

6 PROPERTY AND EQUIPMENT

Reconciliation of carrying amount

The Company	**Motor vehicles**	**Equipment, fittings and furniture**	**Right-of-use Asset (Building)**	**Total**
Cost	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January 2018	1,780	629	-	2,409
Additions	821	5,038	-	5,859
Disposals	(95)	-	-	(95)
Balance at 31 December 2018	2,506	5,667	-	8,173
Balance at 1 January 2019	2,506	5,667	-	8,173
Recognition of Right-of-use asset on initial application of IFRS 16				
Adjusted balance at 1 January 2019	2,506	5,667	13,495	21,668
Additions	2,715	607	-	3,322
Disposals	(352)	-	-	(352)
Balance at 31 December 2019	4,869	6,274	13,495	24,638
Accumulated depreciation				
Balance at 1 January 2018	690	494	-	1,184
Depreciation	562	392	-	954
Disposals	(95)	-	-	(95)
Balance at 31 December 2018	1,157	886	-	2,043
Balance at 1 January 2019	1,157	886	-	2,043
Depreciation	873	1,013	1,452	3,338
Disposals	(352)	-	-	(352)
Balance at 31 December 2019	1,678	1,899	1,452	5,029
Carrying amounts				
Balance at 31 December 2018	**1,349**	**4,781**	**-**	**6,130**
Balance at 31 December 2019	**3,191**	**4,375**	**12,043**	**19,609**

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

6 PROPERTY AND EQUIPMENT

Reconciliation of carrying amount *(continued)*

The Group	**Building and Leasehold property**	**Motor vehicles**	**Equipment, fittings and furniture**	**Right-of-use Asset (Building)**	**Capital work in progress**	**Total**
Cost	**GH¢'000**	**GH¢'000**	**GH¢'000**			**GH¢'000**
Balance at 1 January 2018	26,040	12,134	16,605	-	1,225	56,004
Additions	-	3,625	10,566	-	2,624	16,815
Transfer from capital work in progress	-	-	439	-	(439)	-
Disposals & write offs	-	(1,293)	(5)	-	(3)	(1,301)
Translation difference	-	9	18	-	-	27
Balance at 31 December 2018	26,040	14,475	27,623	-	3,407	71,545
Balance at 1 January 2019	26,040	14,475	27,623	-	3,407	71,545
Recognition of Right-of-use asset on initial application of IFRS 16	-	-	-	12,709	-	12,709
Adjusted balance at 1 January 2019	26,040	14,475	27,623	12,709	3,407	84,254
Additions	76	5,835	3,239	-	11,604	20,754
Transfers	7433	2,388	4,021	-	(6,409)	7,433
Disposals & write offs	-	(1,316)	(2,566)	-	(33)	(3,915)
Translation difference	-	39	62	-	-	101
Balance at 31 December 2019	33,549	21,421	32,379	12,709	8,569	108,627
Accumulated depreciation						
Balance at 1 January 2018	2,441	6,884	8,715	-	-	18,040
Depreciation	812	2,991	2,900	-	-	6,703
Disposals & write offs	-	(1,254)	(2)	-	-	(1,256)
Translation difference	-	9	10	-	-	19
Balance at 31 December 2018	3,253	8,630	11,623	-	-	23,506
Balance at 1 January 2019	3,253	8,630	11,623	-	-	23,506
Depreciation	1001	3,741	4,354	3,487	-	12,583
Disposals & write offs	**-**	**(1,088)**	**(2,497)**	**-**	**-**	**(3,585)**
Translation difference	**-**	**26**	**35**	**-**	**-**	**61**
Balance at 31 December 2019	**4,254**	**11,309**	**13,515**	**3,487**	**-**	**32,565**
Carrying amounts						
Balance at 31 December 2018	**22,787**	**5,845**	**16,000**	**-**	**3,407**	**48,039**
Balance at 31 December 2019	**29,295**	**10,112**	**18,864**	**9,222**	**8,569**	**76,062**

There was no indication of impairment of property and equipment held by the Group at 31 December 2019 (2018: Nil). None of the property and equipment of the Group had been pledged as security for liabilities and there were no restrictions on the title of any Group's property and equipment at the reporting date and at the end of the previous year.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

6 PROPERTY AND EQUIPMENT *(continued)*

Profit on disposal of property and equipment is as follows

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost	352	95	1,176	1,298
Less: Accumulated depreciation	(352)	(95)	(1,009)	(1,256)
Net book value	-	-	167	42
Less: Proceeds on disposal	(106)	(62)	(416)	(617)
Profit on disposal	**(106)**	(62)	**(249)**	(575)

7 INTANGIBLE ASSETS

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost				
Balance at 1 January	-	-	3,346	2,459
Additions	-	-	-	884
Transfer from property and equipment	-	-	-	-
Write-off	-	-	(25)	-
Translation difference	-	-	-	3
Balance at 31 December	-	-	3,321	3,346
Accumulated amortisation and impairment losses				
Balance at 1 January	-	-	1,302	348
Amortisation	-	-	941	949
Write-off	-	-	(25)	-
Translation difference		-	-	5
Balance at 31 December	-	-	2,219	1302
Carrying amounts				
At 1 January	**-**	**-**	**2,044**	**2,111**
At 31 December	**-**	**-**	**1,102**	**2,044**

8 INVESTMENT PROPERTY

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	-	-	246,525	217,239
Subsequent expenditure	-	-	5,931	9,944
Transfer from loans and receivable	-	-	6,710	-
Change in fair value	-	-	(19,762)	(2,238)
Exchange difference on valuation	-	-	35,870	21,580
Investment property write off	-	-	(4,781)	-
Balance at 31 December	**-**	**-**	**270,493**	**246,525**

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

8 INVESTMENT PROPERTIES *(continued)*

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 5.3, the basis for fair value estimation of investment properties is considered as level 2 of the fair value hierarchy.

The Group started the construction of an office complex in 2013. This project, called the 'Advantage Place' was completed in May 2017 and is classified as an investment property. Included in the cost of this project for 2017 are capitalized borrowing costs related to the construction of GH¢2.85 million.

Investment property comprises a number of commercial properties that are leased to third parties. Each of the lease contains an initial non-cancellable period of 1 year, with annual rents indexed to the exchange rates. Subsequent renewals are negotiated with the lessee and historically the average renewal period is one year. No contingent rents are charged.

The Advantage Place' was used as security for a loan facility from Standard Chartered Bank Limited and there are restrictions on the title of the Group's investment property at the reporting date and at the end of the previous year.

8 INVESTMENT PROPERTIES *(continued)*

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Enterprise Insurance Company Limited	59,546	59,546	-	-
Enterprise Life Assurance Company Limited	82,711	82,711	-	-
Enterprise Trustees Limited	16,437	16,437	-	-
Enterprise Properties Limited	5,706	5,706	-	-
	164,400	**164,400**	**-**	**-**

Name of subsidiary	Nature of activity	Country of incorporation/ and principal place of	Percentage interest held by the Company	
			2019	2018
Enterprise Insurance Company Limited	Non-life insurance underwriting	Ghana	75%	75%
Enterprise Life Assurance Company Limited	Life assurance underwriting	Ghana	60%	60%
Enterprise Trustees Limited	Pension fund	Ghana	80%	80%
Enterprise Properties Limited	Real estates	Ghana	70%	70%

The remaining shares are held by Black Star Holdings 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 2019 (2018: Nil).

Total comprehensive income attributable to non-controlling interest

	2019	2018
	GH¢'000	GH¢'000
Profit for the year	37,591	36,093
Foreign currency translation reserve	86	22
	37,677	**36,115**

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

9 INVESTMENT IN SUBSIDIARIES *(continued)*

The total non-controlling interest for the year ended 31 December 2019 is GH¢ 140.2million (2018: 119.9million). This comprise; GH¢ 84.4million (2018: GH¢71.3million) for Enterprise Life Assurance Company Limited, GH¢26.3million (2018: GH¢21.1million) for Enterprise Insurance Company Limited, GH¢ 4.9million (2018: GH¢3.2million) for Enterprise Trustees Limited and GH¢ 24.6million (2018: 24.3million) for Enterprise Properties Limited

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

10 NON-CONTROLLING INTEREST
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 below.

Transactions with non-controlling interests are set out in Note 29

	Enterprise Insurance Company Limited		Enterprise Life Assurance Company Limited		Enterprise Properties Limited	
	2019	2018	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Summarised statement of financial position						
Current						
Assets	53,244	180,031	110,511	131,436	262,317	24,393
Liabilities	(109,585)	(109,778)	(56,228)	(50,701)	(144,018)	(95,401)
Total current net assets	(56,341)	70,253	54,283	80,735	118,299	(71,008)
Non-Current						
Assets	178,188	14,070	725,892	590,073	9,311	234,087
Liabilities	(16,580)	-	(569,252)	(492,556)	(45,520)	(82,068)
Total non-current net assets	161,608	14,070	156,640	97,517	(36,209)	152,019
Net assets	**105,267**	**84,323**	**210,923**	**178,252**	**82,090**	**81,011**
Summarised income statement						
Net insurance premium revenue	111,847	105,668	424,023	347,762	-	-
Rental Income	-	-	487	1,577	11,125	6,753
Profit before income tax and national fiscal stabilisation levy	30,242	14,776	86,265	67,365	(3,451)	4,983
Profit after income tax and national fiscal stabilisation levy	20,946	13,913	75,277	68,935	1,079	4,958
Other comprehensive income	-	-	5,393	2,189	-	-
Total comprehensive income	20,946	13,913	80,670	71,124	1,079	4,958
Total comprehensive income allocated to non-controlling interests	5,237	5,565	32,268	28,450	324	-
Dividend to non-controlling interests	-	-	19,200	15,200	-	-
Summarised cash flows						
Cash flows from operating						
Cash flows from operations	8,869	23,675	108,763	69,866	51,049	20,688
Interest paid on lease liabilities	(1,513)	-	(1,348)	-	-	-
Interest paid on loans	-	-	-	-	(7,215)	(7,439)
Investment income received	20,201	15,632	83,959	74,367	218	167
Income tax paid	(5,594)	(6,020)	(314)	(93)	-	-
National fiscal stabilisation levy paid	(1,008)	(894)	(4,835)	(2,936)	-	-

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

10 NON-CONTROLLING INTEREST *(continued)*

	Enterprise Insurance Company Limited		Enterprise Life Assurance Company Limited		Enterprise Properties Limited	
	2019	2018	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Summarised cash flows						
Net cash generated from operating activities	20,955	32,393	186,225	141,204	44,052	13,416
Net cash used in from in investing activities	(14,734)	(33,878)	(138,765)	(82,320)	(6,199)	(9,657)
Net cash from/(used in) financing activities	(1,246)	7,589	((65,354)	(38,609)	(40,760)	996
Net (decrease)/increase in cash and cash equivalents	4,975	4,975	(17,894)	20,275	(2,907)	4,755
Effect of exchange difference on cash held	2,068	816	1,744	718	619	320
Cash and cash equivalents at 1 January	34,010	27,090	123,986	102,993	8,941	3,866
Cash and cash equivalents at 31 December	**41,053**	**34,010**	**107,836**	**123,986**	**6,653**	**8,941**

The information above is the amount before inter-company eliminations.

11 INVESTMENT SECURITIES

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Equity securities:				
- Listed equity securities	2,039	2,034	94,707	105,641
- Unlisted equity securities	3	3	3	3
Total equity securities	2,042	2,037	94,710	105,644
Unlisted debt securities	634	135,854	699,443	685,966
	2,676	**137,891**	**794,153**	**791,610**

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

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Equity securities				
Balance at 1 January	2,037	2,259	105,644	91,529
Purchases of equity securities	-	-	4,137	21,778
Sale of equity securities	-	-	(493)	(324)
Net gain/(loss) on equity securities	5	(222)	(14,578)	(7,339)
Balance at 31 December	**2,042**	**2,037**	**94,710**	**105,644**
Unlisted debt securities				
Fixed deposits	-	-	2,117	14,594
Treasury bills	634	135,854	160,022	267,461
Bonds	-	-	521,304	403,911
Matured investment receivable	-	-	20,000	-
	634	135,854	703,443	685,966
Impairment of matured investment receivable	-	-	(4,000)	-
	634	**135,854**	**699,443**	**685,966**

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

12 LOANS AND RECEIVABLES

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Staff loans	-	-	3	7
Deferred reinsurance cost	-	-	944	737
Other receivables	2,410	-	12,944	23,897
	2,410	**-**	**13,891**	**24,641**

The maximum amount of staff loans during the year did not exceed GH¢ 3,000 (2018: GH¢7,000). All loans and receivables are current and their carrying values approximate their fair value.

13 DEFERRED COMMISSION EXPENSE

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	8,558	7,544
Commission expense deferred	1,544	1,014
Balance at 31 December	10,102	8,558

14 REINSURANCE ASSETS AND LIABILITIES

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Due from re-insurers	17,674	21,460
Impairmen	(1,177)	(5,900)
	16,497	**15,560**

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

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Due to re-insurers	**13,195**	**21,235**

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

15 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash	19	19	232	94
Bank balances	163,185	36,434	302,372	189,753
Cash and cash equivalents in the statement of financial position	**163,204**	**36,453**	**302,604**	**189,847**
Treasury bills with original maturities less than 3 months	-	86,448	19,571	102,074
Cash and cash equivalents in the statement of cash flow	**163,204**	**122,901**	**322,175**	**291,921**

In accordance with section 73 of the Insurance Act 2006, (Act 724), the insurance entities within the Group are expected to have 10% of minimum capital as statutory deposits which is not available for use in day to day operations of the business.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

16 STATED CAPITAL

The authorised shares of the Company are 200,000,000 (2018: 200,000,000) ordinary shares of no-par value. The issued ordinary shares at 31 December 2019 and 31 December 2018 is as follows:

	No of shares		Proceeds	
	2019	**2018**	**2019**	**2018**
	000	**000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	170,893	133,821	258,886	37,268
Issue during the year:				
- Cash (right issue)	-	36,620	-	219,720
- Cash (vested shares)	-	452	-	1,463
- Transfer from reserves (share option)				435
Balance at 31 December	**170,893**	**170,893**	**258,886**	**258,886**

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

16(b) DEPOSIT FOR SHARES

Deposit for shares represents shares paid by Black Star Holding yet to be registered as at year end.

17 CONTINGENCY RESERVES

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
Balance at 1 January	42,053	32,945
Transfer from retained earnings	10,373	9,108
Balance at 31 December	**52,426**	**42,053**

18 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve 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.

19 RETAINED EARNINGS

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 2019 (Act 992).

20 SHARE OPTION RESERVE

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

21 LIFE FUND - INSURANCE CONTRACT LIABILITY

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
Balance at 1 January	492,556	432,404
Charge to income statement	75,731	59,923
Translation difference	965	229
Balance at 31 December	**569,252**	**492,556**

An independent actuary carried out the valuation of the Life Fund as at 31 December 2019 and 31 December 2018

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

22 UNEARNED PREMIUM

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	35,255	33,212
Charge to income statement	4,745	2,043
Balance at 31 December	**40,000**	**35,255**

Unearned premium represents 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.

23 OUTSTANDING CLAIMS

(a) Outstanding claims

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	33,612	24,615
Claims incurred	102,206	122,879
Claims paid	(97,121)	(117,292)
Recoveries from outstanding claims	(4,070)	-
Change in incurred but not reported provision	1,387	3,410
	36,014	**33,612**
This is analysed as follows		
Gross outstanding claims	20,869	70,901
Reinsurance recoveries	(8,188)	(59,235)
Incurred but not reported provision Note 23 (b	23,333	21,946
Balance at 31 December	**36,014**	**33,612**

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

(b) Incurred but not reported provision

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Balance at 1 January	21,946	18,536
Change in incurred but not reported provision	1,387	3,410
Balance at 31 December	**23,333**	**21,946**

An independent actuary carried out the valuation of the incurred but not reported provision as at 31 December 2018 and 31 December 2017

24 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Accrued expenses and other payables	6,274	5,614	65,382	60,727
Dividend payable Note 36				7,331
	6,274	**5,614**	**65,382**	**68,058**

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

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

25 DEFERRED COMMISSION INCOME

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
Balance at 1 January	6,224	4,222
Commission income deferred	1,476	2,002
Balance at 31 December	**7,700**	**6,224**

26 DEFERRED TAX

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Deferred tax assets	(733)	(578)	(11,207)	(15,457)
Deferred tax liabilities				2,557
	(733)	**(578)**	**(11,207)**	**(12,900)**

Deferred tax assets of Seventh Avenue Properties Limited and Enterprise Life Company limited amounting GH¢ 73,906 and GH¢ 27.4million for 2019 respectively were not recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

The Company

	At 1 January	Charged/ (credit) to profit or loss	At 31 December
Year ended 31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**
Deferred tax assets arising from:			
Accelerated depreciation	168	16	184
Other deductible temporary difference	(746)	(171)	(917)
	(578)	**(155)**	**(733)**
Year ended 31 December 2018			
Deferred tax assets arising from:			
Accelerated depreciation	(10)	178	168
Other deductible temporary difference	2,664)	1,918	(746)
	(2,674)	**2,096**	**(578)**

The Group

	At 1 January	Charged/ (credit) to profit or loss	At 31 December
Year ended 31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**
Deferred tax (assets)/liabilities arising from:			
Accelerated depreciation	22,569	(1,931)	20,638
Other deductible temporary difference	(35,469)	3,624	(31,845)
	(12,900)	**1,693**	**(11,207)**
Year ended 31 December 2018			
Deferred tax assets arising from:			
Accelerated depreciation	(6,291)	28,860	22,569
Other deductible temporary difference	(1,804)	(33,665)	(35,469)
	(8,095)	**(4,805)**	**(12,900)**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

27 LOANS AND BORROWINGS

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Current portion	236	454
Non-current portion	42,900	74,700
	43,136	**75,154**

Movement in loans and borrowings is as follows;

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Opening balance	75,154	68,372
Interest expense	6,997	7,472
Repayments	(47,975)	(7,439)
Exchange loss	8,960	6,749
	43,136	**75,154**

Enterprise Properties Limited obtained a long-term facility of up to US$15 million in 2016 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.

28 INVENTORIES

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Trading stocks	371	180
Consumables	45	58
	416	**238**

Trading stocks relate to caskets and other funeral ornaments. Consumables relate to materials used to prepare units. During 2019, inventories of GH¢ 1.55million (2018: GH¢1.02million) were recognised as an expense during the period and included in 'operating expenses'

29 RELATED PARTIES

The ultimate parent of Enterprise Group Limited (EGL) is Structured Capital Limited a company incorporated in Ghana. The Company's shareholding in the other subsidiaries making up the Group is disclosed in Note 9.

Black Star Holding Limited is related to the Group through its common share holdings in Enterprise Life Assurance Company Limited, Enterprise Insurance Company Limited, Enterprise Trustees Limited and Enterprise Properties Limited.

Databank Financial Services Limited is related to the Group through common ultimate shareholder.

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

29 RELATED PARTIES *(continued)*

The following transactions were carried out with related parties:

The Company *Payments made paid to:*	**2019** **GH¢'000**	**2018** **GH¢'000**
- Enterprise Properties Limited	717	1,444
- Enterprise Insurance Company Limited	193	122

The Company *Expenses settled by:*	**2019** **GH¢'000**	**2018** **GH¢'000**
- Enterprise Group Limited on behalf of Enterprise Insurance Company Limited	3,160	2,604
- Enterprise Group Limited on behalf of Enterprise Life Assurance Company Limited	5,679	4,737
- Enterprise Group Limited on behalf of Enterprise Properties Limited	31,912	14,100
- Enterprise Group Limited on behalf of Enterprise Trustees Limited	1295	57

The Company *Shares transaction*	**2019** **GH¢'000**	**2018** **GH¢'000**
- Sale of the Enterprise Group Limited's 30% shares held in Enterprise Properties Limited to Black Star Holdings Limited	-	30,834
- Purchase of 15% shares in Enterprise Insurance Company Limited from Black Star Holdings Limited	-	41,831
- Purchase of 20% shares in Enterprise Properties Limited from Black Star Holdings Limited	-	12,125
Dividend - Enterprise Life Assurance Company Limited to Enterprise Group Limited	28,800	22,800
- Enterprise Trustees Limited to Enterprise Group Limited	800	1,200

The Group *Management fees*	**2019** **GH¢'000**	**2018** **GH¢'000**
- Enterprise Life Assurance Company Limited to Databank Financial Services Limited	2,498	3,753

The Group *Shares transaction*	**2019** **GH¢'000**	**2018** **GH¢'000**
- Sale of the Group's 30% shares held in Enterprise Properties Limited to Black Star Holdings Limited	-	30,834
- Purchase of 15% shares in Enterprise Insurance Company Limited from Black Star Holdings Limited	-	41,831
- Purchase of 20% shares in Enterprise Properties Limited from Black Star Holdings Limited	-	12,125

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

29 RELATED PARTIES *(continued)*

Shares transaction *(continued)*

The Group *Dividend*	**2019** GH¢'000	**2018** GH¢'000
- Enterprise Life Assurance Company Limited to Black Star Holdings Limited	75,154	68,372
- Enterprise Trustees Limited to Black Star Holdings Limited	6,997	7,472

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

Amounts due to related parties

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Black Star Holdings Limited	21,933	21,933	41,456	27,076
Databank Financial Services Limited	-	-	978	-
	21,933	**21,933**	**42,434**	**27,076**

Amounts due from related parties

	The Company	
	2018	**2017**
	GH¢'000	**GH¢'000**
Enterprise Insurance Company Limited	-	80
Enterprise Properties Limited	116,694	84,805
Enterprise Trustees Limited	-	910
Enterprise Life Assurance Company Limited	-	7,300
	116,694	**93,095**

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 2019 and 31 December 2018.

Directors' emoluments are disclosed in Note 33.

Dividend payable to the non-controlling interest is disclosed in Note 36.

Key management personnel

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Salaries and other employment benefits	5,549	6,166	23,925	22,533
Employer's pension fund contribution	484	301	3,359	2,716
	6,033	**6,467**	**27,284**	**25,249**

30 INVESTMENT INCOME

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fair value through profit or loss:				
- Dividend income	12	28	3,809	1,091
- Net fair value gain/(loss) in equity securities	5	(222)	(14,578)	(7,339)
Dividend from subsidiaries	29,600	24,000	-	-
Interest on unlisted debt securities	14,816	11,414	120,003	104,115
Bank interest	141	371	5,164	1,022
	44,574	**35,591**	**114,398**	**98,889**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

31 OTHER INCOME

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Exchange gains	4,127	2,082	8,074	4,249
Profit on disposal of property and equipment (Note 6)	106	62	239	540
Fee income	-	-	33,464	24,901
Rental income on investment property	-	-	2,074	2,935
Sundry income	-	-	6,359	103
	4,233	**2,144**	**50,210**	**32,728**

32 INSURANCE BENEFITS AND CLAIMS

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Non-life insurance		
Gross claims incurred	102,206	122,879
Reinsurance recoveries	(43,708)	(70,618)
Incurred but not reported provision	1,387	3,410
	59,885	55,671
Life insurance		
Death claims	1,815	1,287
Funeral	32,997	25,332
Policy surrenders, terminations and withdrawals	138,999	127,307
Individual life	173,811	153,926
Group benefits	15,919	14,053
	189,730	167,979
Total insurance benefits and claims	**249,615**	**223,650**

33 OPERATING EXPENSES

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Directors' emoluments	7,444	7,380	12,068	10,505
Auditor's remuneration	99	72	754	655
Depreciation and amortisation	3,143	954	13,329	6,911
Staff cost	9,925	7,386	67,978	61,803
Other operating expenses	6,299	8,701	69,669	67,672
Shared service cost charged to subsidiaries	(9,953)	(7,496)	-	-
	16,957	16,997	163,798	147,546
Staff cost include:				
Salaries and other short-term employment benefit	8,295	6,206	58,224	54,229
Employer's pension fund contribution	923	918	6,713	6,296
Other-long term employment benefits	707	262	3,041	1,278
	9,925	**7,386**	**67,978**	**61,803**

Staff cost for executive directors are included in Director's emoluments.

Depreciation of right of use assets arising from rental of properties for executive director amounting to GH¢ 194,515 has been included in Directors' emoluments in 2019.

Shared service cost charged to subsidiaries represent the portion of management expenses incurred by Enterprise Group Limited charged to the subsidiaries.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

33 OEPRATING EXPENSES *(continued)*

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

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
Staff numbers	29	24	461	423

34 NATIONAL FISCAL STABILIZATION LEVY

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
Balance at 1 January	651	(183)
Charged to profit or loss	6,073	4,442
Payments during the year	(5,843)	(3,830)
Tax Refund	-	222
Balance at 31 December	**881**	**651**
Analysed into		
National fiscal stabilization levy receivable	(123)	
National fiscal stabilization levy payable	881	774
	881	**651**

In accordance to the National Fiscal Stabilization Act (862), 2013, some specified companies and institutions including Insurance Companies are liable to pay a levy under the Act. The rate of the levy is 5% on the profit before tax of these Companies. The Levy is not an allowable deduction for the purpose of ascertaining the chargeable income.

35 INCOME TAX

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Current tax expense				
Current year	79	4379	10,799	12,724
Changes in estimates related to prior years	-	-	-	(3,671)
	79	4,379	10,799	9,053
Deferred tax expense				
Origination and reversal of temporary difference	(155)	2,096	1,693	(4,805)
	(76)	6,475	12,492	4,248

Current tax assets and liabilities **The Company**	**As at January 1**	**Charged to profit or**	**Payments**	**At 31 December**
Year ended 31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Year of assessment:				
up to 2015	1,005	-	-	1,005
2016	1,820	-	-	1,820
2017	(7)	-	-	(7)
2018	4,346	-	(4,497)	(151)
2019	-	79	-	79
	7,164	**79**	**(4,497)**	**2,746**

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

35 INCOME TAX *(continued)*

Current tax assets and liabilities

	As at January 1	Charged to profit or	Payments	At 31 December
Year ended 31 December 2018	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Year of assessment:				
up to 2015	1,005	-	-	1,005
2016	1,820	-	-	1,820
2017	(7)	-	-	(7)
2018	-	4,379	(33)	4,346
	2,818	**4,379**	**(33)**	**7,164**

The Group	As at January 1	Charged to profit or	Payments	At 31 December
Year ended 31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Year of assessment				
up to 2017	2,464	-	-	2,464
2018	4,832	-	(45)	4,787
2019	-	10,799	(14,138)	(3,339)
Translation difference	27	-	-	30
	7,323	**10,799**	**(14,183)**	**3,942**

The Group	As at January 1	Charged to profit or loss	Payments	Prior year adjustment	Tax Refund	At 31 December
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Year ended 31 December 2018						
Year of assessment	(535)	-	-	-	1,563	1,028
up to 2015	3495	-	-	-	-	3,495
2017	2361	-	(749)	(3,671)	-	(2,059)
2018	-	12,724	(7,892)	-	-	4,832
Translation difference	26	-	-	-	-	27
	5,347	**12,724**	**(8,641)**	**(3,671)**	**1,563**	**7,323**

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
Current tax assets	(766)	(742)
Current tax liabilities	4,708	8,065
	3,942	**7,323**

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

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

35 INCOME TAX *(continued)*

Effective tax reconciliation

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

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit before income tax	**28,659**	**49,127**	**135,790**	**96,639**
Tax rate of 25% (2017: 25%)	7,165	12,282	33,948	24,160
Adjusted for:				
Tax-exempt income	(8,325)	(6,050)	(115,169)	(82,161)
Tax charged at different rate	-	-	10	370
Non-deductible expenses	1,084	243	84,405	61,794
Derecognition of previously recognised deductible temporary differences	-	-	8,994	-
Tax on dividend		-	304	85
	(76)	6,475	12,492	4,248
Effective tax rate	(0.27%)	13.18%	9.20%	4.40%

36 DIVIDEND PAYABLE TO NON-CONTROLLING INTEREST

	The Group	
	2019	**2018**
	GH¢'000	**GH¢'000**
At 1 January	7,731	15,440
Amount declared during the year	19,400	15,500
Amount paid	(27,131)	(23,209)
At 31 December	**-**	**7,731**

This amount has been included in Trade and other payables (Note 24)

Notes to the Financial Statements
For The Year Ended 31 December 2019 *(continued)*
(All amounts are in thousands of Ghana cedis)

37 NET INSURANCE PREMIUM

The Group	2018			2018		
	Gross premium	Reinsurance ceded	Net premium	Gross premium	Reinsurance ceded	Net premium
Non-life insurance:	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Motor	92,811	(3,166)	89,645	85,544	(3,736)	81,808
Fire	52,650	(43,589)	9,061	47,114	(37,760)	9,354
Marine	11,580	(9,731)	1,849	10,647	(9,132)	1,515
General Accident	25,412	(9,943)	15,469	23,341	(8,730)	14,611
Engineering	22,835	(22,276)	559	16,172	(15,754)	418
Aviation	1,771	(1,762)	9	1,464	(1,459)	5
	207,059	(90,467)	116,592	184,282	(76,571)	107,711
Life insurance:						
Individual life	389,990	(653)	389,337	318,211	(49)	318,162
Group life	47,420	(10,544)	36,876	42,211	(10,465)	31,746
	437,410	(11,197)	426,213	360,422	(10,514)	349,908
Customer Retention Scheme	(2,190)	-	(2,190)	(2,146)	-	(2,146)
	435,220	(11,197)	424,023	358,276	(10,514)	347,762
	642,279	(101,664)	540,615	542,558	(87,085)	455,473

38 COMMISSION EXPENSE

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Commission expense	99,024	85,507
Commission expense deferred	(1,544)	(1,014)
	97,480	**84,493**

39 COMMISSION INCOME

	The Group	
	2019	2018
	GH¢'000	GH¢'000
Commission income	22,676	18,958
Commission income deferred	(1,476)	(2,002)
	21,200	**16,956**

40 SHARES BUY BACK AND SALE TRANSACTION

As part of strategic the partnership between Enterprise Group Limited (EGL) and Black Star Holdings Limited (BSHL), both parties agreed to the following transactions in 2017 when BSHL took over Sanlam Limited stake in EGL subsidiaries. The agreement was as follows;

- EGL was to buy back 9% shares of Enterprise Life Assurance Company Limited (ELAC) from BSHL for a total consideration of US$18,734,694. This was completed in 2017 and has been reflected in the 2017 financial statements

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

40 SHARES BUY BACK AND SALE TRANSACTION *(continued)*

- EGL was to buy back 15% shares of Enterprise Insurance Company Limited (EIC) from BSHL for a total consideration of US$8,625,000. This transaction was completed on 25 October 2018.
- EGL was to buy back 20% shares of Enterprise Trustees Limited (ETL) from BSHL for a total consideration of US$2,500,000. This transaction was completed on 25 October 2018.
- EGL was to sell 30% of its shareholding in Enterprise Properties Limited (EPL) to BSHL for a total cash consideration of US$10,880,000 and transfer of 30% of its due from EPL to BSHL amounting to GH¢ 21.9million. This transaction was completed on 15 December 2018.
- 31 December 2018 has been assumed as the effective transaction dates for EIC, ETL and EPL transactions.

Below are the effects of the above transactions on the financial statements;

(a) Buy back of EIC and ETL shares from BSHL

The Company

The buyback of the 20% and 15% shares of ETL and EIC from BSHL respectively increases the company cost of investments. These investments are accounted for at cost and disclosed in Note 9.

The Group

On 25 October 2018, the group acquired 20% and 15% shares in ETL and EIC respectively for an amount of US$2,500,000 and US$8,625,000 respectively. This increased the group's ownership in ETL from 60% to 80% and for EIC from 60% to 75%.

The carrying amount of ETL and EIC in the Group's financial statements on the date of acquisition was GH¢16.2million and GH¢84.7 million respectively.

(b) Sale of 30% of EPL shares to BSHL

The effect of the sale of 30% of the Group's shareholding in EPL to BSHL is as follows;

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Consideration received;				
Cash consideration	-	52,767	-	52,767
Transfer of 30% loan due from EPL	-	(21,933)	-	(21,933)
	-	30,834	-	30,834
Less;				
Cost of investment/Net asset as at disposal (30%)	-	(2,445)	-	(24,303)
Gain on disposal	**-**	**28,389**	**-**	**6,531**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

41 RECONCILIATION OF PROFIT AFTER TAX TO CASH GENERATED FROM OPERATIONS

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit for the year	28,735	42,652	117,228	87,949
Depreciation and amortisation	3,338	954	13,523	7,652
Write-off of property and equipment and investment property	-	-	4,842	3
Impairment of financial assets	-	-	(333)	4,400
Share-based payment	-	(138)	-	(138)
Fair value loss/(gains) on investment	-	-	19,762	2,238
Exchange differences on valuation of investment properties	-	-	(35,870)	(21,580)
Exchange difference on loans and borrowings	-	-	8,960	6,750
Finance cost	3,191	-	8,425	7,305
Investment income	(44,574)	(35,591)	(114,398)	(118,969)
Profit on sale of property and equipment	(106)	(62)	(249)	(575)
Change in life fund	-	-	75,731	59,923
Gain on disposal of 30% shares of EPL	-	(28,389)	-	(6,531)
National fiscal stabilisation levy	-	-	6,073	4,442
Income tax expense	(76)	6,475	12,492	3,886
Effect of exchange difference on cash held	(4,127)	(2,186)	(8,558)	(4,061)
	(13,619)	(16,285)	107,628	32,694
Changes in working capital:				
Unearned premium	-	-	4,745	2,043
Outstanding claims	-	-	2,402	8,998
Deferred commission income	-	-	1,476	2,002
Amount due to re-insurers	-	-	3,786	3,279
Amount due to related parties	-	-	15,471	5,143
Inventories	-	-	(178)	(70)
Loans and receivables	(2,410)	334	(3,753)	(4,937)
Prepayments	(104)	808	167	(2,283)
Deferred commission expense	-	-	(1,544)	(1,013)
Amount due from related parties	(31,799)	(10,486)	-	-
Policy holder retention scheme	-	-	76	1,365
Trade and other payables	660	426	4,790	11,712
Amounts due from re-insurers	-	-	(8,040)	5,716
Cash (used in)/generated from operations	(47,272)	(25,203)	127,026	64,649

42 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.

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

42 SEGMENT INFORMATION *(continued)*

	Year ended 31 December 2019						
	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net premium earned	111,847	424,023	-	-	-	-	535,870
Net investment and other income	29,343	78,097	29,243	14,622	7,706	19,207	178,218
Net income	141,190	502,120	29,243	14,622	7,706	19,207	714,088
Increase in Life fund	-	(75,731)	-	-		-	(75,731)
Net claim incurred	(59,885)	(189,730)	-	-		-	(249,615)
Net commission	(8,859)	(67,335)	-	-	(86)	-	(76,280)
Finance cost	794	(460)	(175)	(6,997)	-	-	(8,426)
Impairment release/ (charge) on financial assets	4,723	(4,000)	-	(390)	-	-	333
Investment property write off	-	(4,781)	-	-	-	-	(4,781)
Operating expenses	(41,596)	(68,175)	(14,308)	(15,983)	(8,494)	(15,242)	(163,798)
Profit/(loss) before tax	34,779	91,908	14,760	(8,748)	(874)	3,965	135,790
National Fiscal Stabilisation Levy	(1,512)	(4,561)	-	-	-	-	(6,073)
Income tax (expense)/credit	(7,784)	(6,427)	(3,033)	4,676	-	76	(12,492)
Profit after tax	**25,483**	**80,920**	**11,727**	**(4,072)**	**(874)**	**4,041**	**117,225**
Total assets	**220,955**	**818,640**	**29,696**	**251,496**	**1,298**	**177,031**	**1,499,116**
Total liabilities	**113,828**	**611,754**	**4,185**	**70,466**	**1,043**	**30,945**	**832,221**

	Year ended 31 December 2018						
	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Net premium earned	105,668	347,762	-	-	-	-	453,430
Net investment and other income	18,657	72,359	21,467	16,536	4,452	13,735	147,206
Net income	124,325	420,121	21,467	16,536	4,452	13,735	600,636
Increase in Life fund	-	(59,923)	-	-	-	-	(59,923)
Net claim incurred	(55,672)	(167,978)	-	-	-	-	(223,650)
Net commission	(9,491)	(57,714)	-	-	(332)	-	(67,537)
Net finance cost	-	-	-	(7,472)	-	-	(7,472)
Gain on disposal of 30% share in EPL	-	-	-	-	-	6,531	6,531
Impairment of financial assets	(4,400)	-	-	-	-	-	(4,400)
Operating expenses	(39,985)	(65,084)	(11,754)	(12,945)	(6,176)	(11,602)	(147,546)
Profit/(loss) before tax	14,777	69,422	9,713	(3,881)	(2,056)	8,664	96,639
National Fiscal Stabilisation	(832)	(3,610	-	-	-	-	(4,442)
Income tax (expense)/credit	(31)	5,180	(2,331)	(591)	-	(6,475)	(4,248)
Profit after tax	**13,914**	**70,992**	**7,382**	**(4,472)**	**(2,056)**	**2,189**	**87,949**
Total assets	**194,101**	**716,925**	**21,047**	**231,511**	**4,369**	**181,390**	**1,349,343**
Total liabilities	**109,698**	**535,134**	**3,855**	**88,248**	**1,145**	**34,710**	**772,790**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

43 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	
	2019	**2018**	**2019**	**2018**
Profit attributable to equity holders of the company (GH¢ 000)	28,735	42,652	79,634	51,856
Weighted average number of ordinary shares in issue (‘000)	170,893	170,893	170,893	170,893
Basic earnings per share	0.168	0.250	0.466	0.303

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 2018 is set out in Note 44.

	The Company		The Group	
	2019	**2018**	**2019**	**2018**
Dilutive earnings per share	0.168	0.249	0.466	0.302

44 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 as follows:

During the year the Group discontinued the shared based payment scheme for its employees

The Group	**2018**	
	Average exercise price per share	**Option (thousands)**
At 1 January	2.23	1,203
Exercised	2.23	(452)
At 31 December		751

Options exercised in 2018 resulted in 452,000 shares being issued at a weighted average price of GH¢ 2.23 each. The related weighted average share price at the time of exercise in 2018 was GH¢ 4.1996 per share.

The value of the Group’s outstanding share options at 31 December 2018 is GH¢ 0.14 million.

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

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

44 SHARE BASED PAYMENTS *(continued)*

Value of employee services

	The Company		The Group	
	2019	2018	2019	2018
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Value of employee services	-	(138)	-	(1,259)

Share option outstanding at 31 December 2018 expired in September 2019.

45 LEASES

A. Leases as lessee (IFRS 16)

The Group leases a number of branch and office premises. The leases typically run for a period between two (2) to ten (10) years, with an option to renew the lease after the date. For some leases, payments are renegotiated every five (5) years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group also leases agency offices with contract terms of one to three years. These leases are short- term and/or leases of low-value items. The Group has not elected not to recognise right-of-use assets and lease liabilities for these leases.

Previously, these leases were classified as operating leases under IAS 17.

Information about leases for which the Company is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment.

	Branch and office premises 2019	
	The Company	The Group
	GH¢'000	GH¢'000
Balance at 1 January	13,495	12,709
Depreciation charge for the year	1,452)	(3,487)
Balance at 31 December 2019	**12,043**	**9,222**

At 31 December 2018, the future minimum lease payments under non-cancellable operating leases were payable as follows.

Maturity analysis- Contractual undiscounted cash flows

	Branch and office premises 2019	
	The Company	The Group
	GH¢'000	GH¢'000
Less than one year	1,840	2,771
Between one and five years	7,931	4,488
More than five years	5,511	786
Total undiscounted lease liabilities at 31 December	**15,282**	**8,045**

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

45 LEASES *(continued)*

A. Leases as lessee (IFRS 16) *(continued)*

Right-of-use assets relate to leased branch and office premises that are presented within property and equipment.

	The Company	The Group
	2019	**2019**
	GH¢'000	**GH¢'000**
2019 – Leases under IFRS 16		
Interest on lease liabilities	1,219	809
Exchange loss on lease liabilities	1,972	620
Expenses relating to leases of low-value assets and short-term leases of low-value assets	11	1,309

	The Company	The Group
	2018	**2018**
	GH¢'000	**GH¢'000**
2018 – Leases under IAS 17		
Lease expense	1,387	6,689

iii. Amounts recognized in profit or loss

	The Company	The Group
	2019	**2019**
	GH¢'000	**GH¢'000**
Total cash outflow for leases	2,551	2,952

iv. Extension options

Some leases of office premises contain extension options exercisable by the group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement due date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of GH¢ 3.15 million and GH¢ 2.86 million for the Group and Company respectively.

v. Lease liabilities

	The Company	The Group
	GH¢'000	**GH¢'000**
Balance at January 1	13,495	8,742
Interest expense	1,219	809
Lease payments	(2,551)	(2,952)
Foreign currency transactional loss	1,972	620
Balance at 31 December 2019	**14,135**	**7,219**

See Note 4 for maturity analysis of lease liabilities as at 31 December 2019

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

B Leases as lessor

i. Operating lease

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 8 sets out information about the operating leases of investment property.

Rental income recognized by the Group during the year ended 31 December 2019 was GH¢ 2.1million (2018: GH¢ 2.9million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

2019 – Operating leases under IFRS 16

	The Group
	GH¢'000
Less than one year	3,292
One to two years	2,797
Two to three years	1,345
Total	**7,434**

2018 – Operating leases under IAS 17

	The Group
	GH¢'000
Less than one year	2,461
Between one and five years	5,954
Total	**8,415**

46 FINANCE COST

	The Company		The Group	
	2019	2018	2019	2018
Interest on loans and borrowings)	-	-	6,997	7,472
Interest on lease liabilities (Note 45)	1,219	-	809	-
Exchange loss on lease liabilities (Note 45)	1,972	-	620	-
	3,191	**-**	**8,426**	**7,472**

47 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 2019 and 31 December 2018.

48 CAPITAL COMMITMENTS

There were no capital commitments for the Group and Company at 31 December 2019 (2018: Nil).

Notes to the Financial Statements

For The Year Ended 31 December 2019 *(continued)*

(All amounts are in thousands of Ghana cedis)

49 OFF BALANCE SHEET TRANSACTIONS

Seventh Avenue Properties Limited, a subsidiary of Enterprise Group Limited obtained a long-term facility of US$15 million in 2016 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 office complex has been used as collateral for the facility and Enterprise Group Limited has provided a financial guarantee to the Bank in event of default by the Seventh Avenue Properties Limited.

50 DIVIDEND PER SHARE

The Directors wish to propose a dividend of GH¢ 0.05 per share amounting to GH¢ 9.2 million for 2019 (2018:GH¢ 7.7million) at the forthcoming annual general meeting.

51 EVENTS AFTER REPORTING PERIOD

On 30 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei province, China. The WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with over 150 countries, including Ghana and other African countries, now affected.

The outbreak of COVID-19 and the necessary containment measures, which include travel bans, quarantines and social distancing protocols, have resulted in disruption to business and economic activity globally. At the date of authorization of the financial statements, Enterprise Group Limited and its subsidiaries are operating as normal. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore we cannot currently assess the impact it may have on the Group's future operations. The Group will continue to closely monitor the spread of COVID-19 and assess its impact on the business.

No other events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

Shareholder Information

(i) Directors shareholding at 31 December 2019

Name of director	Number of Shares Held
GEORGE BANASCO OTOO	400,000
C. C. BRUCE JNR	116,185
KELI GADZEKPO	67,500
MARTIN ESON BENJAMIN	4,110

(ii) Analysis of Shareholding at 31 December 2019

Name of director	Number of Shareholders	Number of Shares	Percentage Holdings
1–1,000	1,754	557,350	0.33%
1,001–5,000	1,012	2,435,801	1.43%
5,001–10,000	361	2,541,811	1.49%
10,001 and over	521	165,357,863	96.76%
	3,648	170,892,825	100%

(iii) List of top twenty (20) shareholders as at 31 December 2019

	Name of Share holder	Number of Shares	Percentage Holdings(%)
1	GRACE STRATEGIC VENTURES LIMITED	75,395,586	44.12%
2	STD NOMS/CS SEC (US) LLC/AFRICA OPPT FUND L.P	16,978,891	9.94%
3	CLEARTIDE ASSET HOLDINGS LTD	13,300,878	7.78%
4	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	8,292,318	4.85%
5	VENTURES AND ACQUISITIONS LIMITED	7,820,700	4.58%
6	SCGN/'EPACK INVESTMENT	4,541,055	2.66%
7	MAXWELL, JANET SNOWDEN	2,967,500	1.74%
8	SCGN/SSB& TRUST AS CUST FOR KIMBERLITE FRONTIER	2,252,251	1.32%
9	SCGN/CITIBANK NEW YORK RE NORGES BANK	1,815,500	1.06%
10	SCGN / NORTHERN TRUST CO. AVFC 6314B	1,279,032	0.75%
11	EGH/ECG PENSION SCHEME TIER 3 PORT 1	1,239,945	0.73%
12	DAMSEL / OTENG-GYASI, ANTHONY	1,000,500	0.59%
13	ZBGC/CEDAR PROVIDENT FUND	996,473	0.58%
14	STD NOMS/CS SEC (US) LLC/AFR OPPT CAYMAN LTD	895,645	0.52%
15	SCGN/GHANA MEDICAL ASS. PENSION FUND	801,000	0.47%
16	BADER, LARS ERNEST L.B.E	799,532	0.47%
17	SCGN/DATABANK BALANCED FUND LIMITED,	668,100	0.39%
18	METLIFE CLASSIC A/C, STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICAC	657,115	0.38%
19	ESTATE OF DR. P.K ANIM-ADDO	625,000	0.37%
20	DODOO, FRANCIS F.D	593,845	0.35%
	TOTAL	142,920,866	83.63%
	OTHERS	27,971,959	16.37%
	GRAND TOTAL	**170,892,825**	**100%**

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

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 2019 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.
The Embedded Value includes the value from business written up to the current date but does not take into account the value of future new business. An investor is likely to ascribe value to that future new business. While volumes and mix of business will vary in future years, a reference point for the value of future business is the value of business sold during the year which is shown in the results below;

Embedded Value Results

The embedded value has increased by GH¢170.5 million over the past year to date, as shown in the table below:

	2019	2018
	GH¢'000	GH¢'000
Net Asset Value	230,301	179,455
Value of in-force business	460,591	335,268
Cost of Capital	(12,611)	(6,936)
Embedded Value	**678,281**	**507,787**

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

Embedded value analysis *(continued)*

The embedded value earnings are shown in the table below:

	2019	2018
	GH¢'000	GH¢'000
Change in EV (excluding dividends	170,494	59,209
Dividends paid	48,000	38,000
Decrease (Increase) in Capital	3,602)	(8,741)
Embedded Value Earnings	**214,892**	**88,468**

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	COC	NAV	EV
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Roll forward to year end	65,455	(1,566)	6,353	70,242
Transfers to net worth	(79,895)	-	79,895	-
VNB	73,767	(1,869)	(11,947)	59,951
Experience profits	34,488	(1,585)	12,910	45,813
Actuarial basis changes	36,520	(655)	3,021	38,886
Embedded Value earnings	**130,335**	**(5,675)**	**90,232**	**214,892**

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 15.0% p.a. (2018: 15.0% p.a.) and inflation at 10% p.a. (2018: 10.5% p.a.). The risk discount rate is 20% p.a. (2018: 20.5% p.a.).

G T Waugh MA FASSA
Statutory Actuary 14 March 2020

Enterprise Group Limited

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 July 7th, 2020 and at any adjournment thereof.

*(Block Capitals Please)

The Annual General Meeting hereby resolves the following:

RESOLUTION – ORDINARY BUSINESS	FOR	AGAINST
1. To receive Financial Statements of the Company together with the Reports of the Directors and the Auditors thereon for the year ended December 31, 2019		
2. To declare a final dividend		
3. To re-elect the following retiring Directors of the Company: a. Douglas Lacey b. Prof. Angela Ofori-Atta		
4. To authorise the Directors to fix the remuneration of the Auditors		
RESOLUTION – SPECIAL BUSINESS		
5. To change the name of the Company to Enterprise Group PLC		

Dated this………………day of …………………………...…………………………….. 2020

Shareholder's Signature: ……………………………………………………………………

Cut Here *Cut Here*

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 to vote by proxy through online participation. The attached form has been prepared to enable you to exercise your right to appoint a proxy. 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 by online participation. However to ensure that someone will be present at the Meeting to act as your proxy by online participation, the Chairman of the Meeting has been inserted as your proxy if the named person is unable to attend the Meeting by online participation. Please complete, sign and send the proxy form so that it reaches the address indicated 4 not later than 48 hours before the commencement time of the Meeting.

First Fold Here

Please Affix Stamp Here

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

Second Fold Here

Third Fold Here

Cut Here *Cut Here*

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

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)

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

enterprise
GROUP
Your Advantage

Advantage Place
Mayor Road, Ridge West, Accra
PMB 150, GPO
Accra, Ghana