enterprise GROUP

Your Advantage

We'll get through this together.

2020 ANNUAL REPORT & FINANCIAL STATEMENTS

enterprise GROUP

Your Advantage

Vision

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

Mission

We provide all who come into contact with us their desired advantage because...

we are the best at what we do!

Values

- Friendliness
- Trust
- Reliability
- Excellence
- Professionalism

enterprise GROUP
Your Advantage

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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 eleventh Annual General Meeting of Enterprise Group PLC will be held and streamed live from the Company's Head Office at Advantage Place, Mayor Road, Ridge West, Accra on Tuesday 22nd June 2021 at 10.30am 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 thereron for the year ended December 31, 2020.
2. To declare a final dividend.
3. To appoint Messrs. PricewaterhouseCoopers as Auditors with effect from the conclusion of the Meeting.
4. Rotation of Directors:
    a. To re-elect Trevor Trefgarne as a Director.
    b. To accept the retirement of George B. Otoo as a Director.
5. To re-elect Michael Tyson as a Director.
6. To authorize the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

7. To pass the following as a special resolution:
   "To change the Constitution of the Company in accordance with the Companies Act, 2019 (Act 992)."

DATED THIS 7TH MAY, 2021
BY ORDER OF THE BOARD OF DIRECTORS
SADIA CHINERY-HESSE (MRS.)
COMPANY SECRETARY

NOTE:

1. *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.*
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://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 2020 Audited Financial Statements and the proposed new Constitution of the Company 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 8th June 2021 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 8th June 2021, but before the date of the Meeting to be sent the unique token.

To gain access to the Meeting, shareholders must visit http://www.eglagm.com/ and input their unique token number on Tuesday 22nd June 2021. 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://eglagm.com/.

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

Five Year Financial Summary

(All amounts are expressed in thousands of Ghana cedis)

	2020	2019	2018	2017	2016
Group Net Income	847,747	714,088	607,167	542,651	420,546
Net Investment Income	141,662	128,008	114,478	139,744	85,622
Net Insurance Premium	651,386	535,870	453,430	380,706	308,092
Net Benefits & Claims	374,630	325,346	283,573	275,699	207,210
Operating expenses	190,846	163,798	147,546	117,264	93,424
Profit before tax	175,514	135,790	96,639	90,404	75,765
Profit after tax	146,729	117,225	87,949	87,045	68,001
Total Equity and Reserves	764,386	666,895	576,553	308,779	318,174
Total Assets	1,745,508	1,499,116	1,349,344	1,034,967	812,085
Number of shares	**170,892,825**	**170,892,825**	**170,892,825**	**133,820,825**	**133,820,825**
Earnings per share (GH¢)	0.476	0.466	0.303	0.397	0.257
Dividend per share (GH¢)	0.062	0.054	0.045	-	-
Return on Assets (%)	9.04	8.23	7.38	9.43	9.41
Return on Equity (%)	13.76	15.12	11.15	24.12	14.60
Share price (Market) (GH¢)	1.40	1.65	2.24	3.70	2.40
Price Earnings Ratio	2.94	4.00	7.40	9.32	9.34

Corporate Information

Board of Directors	Trevor Trefgarne	*Chairman*
	Keli Gadzekpo	*Group Chief Executive Officer*
	Daniel Larbi-Tieku	*Deputy Group Chief Executive Officer*
	Cleland Cofie Bruce Jr.	*(resigned 26 March 2021)*
	Michael Tyson	*Chief Finance Officer (appointed 26 March 2021)*
	George Otoo	
	Martin Eson-Benjamin	
	Prof. Angela Ofori-Atta	
	Fiifi Kwakye	
	Douglas Lacey	

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

Solicitors
Sam Okudzeto & Associates
Third 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
First 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 Plc

Chairman's Review

"I am glad to report that notwithstanding the uncertainties and difficulties presented by the pandemic, our Group not only managed to sustain its established activities, but also made significant progress in the entry into the Nigerian market. "

Trevor Trefgarne
Chairman
Enterprise Group Plc

Introduction

It is my pleasure to welcome our shareholders to the 11th Annual General Meeting of the Enterprise Group Plc and present my report for the year to 31st December 2020.

The past year was dominated by the Covid 19 global pandemic and the economic impact of measures taken by Governments to protect the health of their populations. This has been a challenging time for all of us as we adapt how we live, work and run our businesses.

As it became evident in early 2020 that Covid 19 was likely to become a major pandemic, our management took steps to safeguard staff and customers, while continuing to operate by introducing remote working to ensure we could properly serve customers and in particular settle claims promptly. The Enterprise Advantage Mobile Application in addition to other online tools and systems are examples of how we continued to serve our customers. This recent experience has given us the impetus to bring forward further investment in technology.

Overview of Operating Environment

Generally, the Ghanaian economy, like other economies across the globe, has not been insulated from the effect of the pandemic. The Government was faced with containing fiscal pressures while working to minimize the socioeconomic effect on the nation. Ghana's economy got off to a positive start in Q1 with a GDP growth of 4.9% before shrinking to about 1.1% in Q3 of 2020, following a 3.2% contraction in Q2 due to the pandemic.

The year-on-year GDP growth is estimated to be 0.9% compared to 6.3% for 2019. After rising to 11.4% in July, which was a direct effect of the lockdown, inflation retreated to end the year at 10.4%. Fiscal deficit however went above the 5% limit, due to the additional spending Government had to make, to cushion the impact of Covid 19 on citizens. As the uncertainty brought about by the pandemic is still with us, its full impact on the economy will take some time to be fully assessed across all sectors and business generally.

Our existing businesses managed to post decent results for 2020, despite the challenges of the pandemic. Net Income reached GHS847.7m, a growth of 18.7% over prior year, with Profit after Tax of GHS146.7m. The pandemic impacted our businesses in different ways. Whilst the insurance side which thrives on person to person contact for sales, was affected in new business generation, the Pensions business was impacted as employers experienced difficulties in sustaining their pension contributions. The change from office to remote working adversely affected lettings by our property business, as companies reconsidered their office space requirements. The effect on the funeral services business was both positive and negative. When Greater Accra went into total lockdown, the business was unable to function until the easing of the restrictions allowed people to attend private funeral services. However, on the positive side, our team was able to design funeral packages which reflected the changing times and still brought relief to grieving customers and families.

Chairman's Review *(continued)*

I am glad to report that notwithstanding the uncertainties and difficulties presented by the pandemic, our Group not only managed to sustain its established activities, but also made significant progress in its entry into the Nigerian market. We successfully registered Enterprise Life, Nigeria and secured the license to start full operations in Nigeria in March 2021. This is a significant step for Enterprise Group, and we look forward to building a successful Life insurance business in Africa's most populous nation and biggest economy. Initial stages of the operations in Nigeria will require investments in people, systems, tools, training and marketing, as expected of all startup businesses.

Our efforts to enter the Ghanaian Health Insurance sector continued actively during the year and the Board expects to give a positive update to you on this initiative in the coming months.

Future Planning

Management's Strategic Plan for 2020 – 2024 was put to the test in its first year, due to the uncertainties and challenges posed by the pandemic. New business generation was not surprisingly slower than anticipated, however I am glad to report that the key thrusts and pillars of the Strategic Plan are all relevant and responsive to the times in which we live.

It is heartwarming to mention that both our Ghana insurance companies have leadership positions in the industry after the Non-Life business ascended to the number one slot at the end of 2020 with a market share of 13.4%, in line with one of our key strategic imperatives. We will continue to review whatever steps may be needed to keep our businesses competitive and profitable.

Shareholder Return and Dividend

A greater part of 2020 saw the Ghana Stock Exchange continue the weak trend experienced in 2019 except in December, when it experienced a rebound on some equities. The Composite Index declined by 13.98% at the end of the year, with the Financial Stock Index recording a negative growth of 11.73%. Total market capitalization stood at GHS 54.37bn at the end of the year as against GHS56.79bn in 2019. Enterprise Group's market capitalization reduced by 15.2% on the back of the decline in the Exchange's general performance from GHS281.97m yearend 2019 to GHS239.2m yearend 2020. Notwithstanding the Group's positive financial performance with Net Income of GHS847.7m and Profit after Tax of GHS146.7m, the weak outturn of the Exchange impacted our share price which declined by 15.2% from GHS1.65 per share in 2019 to GHS1.4 per share in 2020. The Group's Net Assets however grew by 14.6% on account of an increase in investment securities and positive cash flows.

The fundamentals of our core insurance businesses remain strong. The Value of New Business (VNB) and Embedded Value (EV) of the Life business increased by 28% and 14.3% respectively in 2020. The discounted future profit from new sales, VNB generated GHS76.7m whilst the discounted future profit from the inforce book, in addition to Net Assets, known as EV increased to GHS775.2m. This confirms the strength, soundness and value of the Life business. The Non-Life insurance business also exhibited industry leading results whilst the pensions operations continued to increase Assets under Management. It is some three and half years since we entered into the strategic partnership with Leapfrog Strategic Africa Investment (LSAI) and Prudential Insurance International (PII) and it is encouraging to see this starting to demonstrate substantial benefits with the developments like the entry into Nigeria.

Based on the 2020 performance, the Board proposes a final dividend of GHS0.062 per share, a growth of approximately 15% over what was paid in respect of 2019.

Our Future

World Health Organization and other commentators indicate the challenges posed by the global pandemic are expected to linger through 2021, however there is expectation that as the Covid 19 vaccines are deployed, people and business will be able to return to a more normal situation.

One key focus for the business will be to ensure our operations in Nigeria start on a strong footing by setting the right foundation, leveraging on our experience in Ghana, while considering the particular consumer demands and needs of Nigerians. This operation will be supported with required investments in the short to medium term, to generate long-term shareholder value. Deployment of the right technology will remain paramount across the Group, to keep all our operations relevant to the changing needs of our existing and potential customers, taking lessons from the pandemic. With the change in our operating model which brings flexibility for staff to work from home, we will continue to resource them adequately to be more efficient in delivering results. Our two Ghana insurance companies will meet the new minimum capital required by the end of Q1 2021, ahead of the revised timeline.

Chairman's Review *(continued)*

Shareholder Value

As shareholders are no doubt aware, the stock market valuation has not for some years reflected the fundamental value of the Group. Although this has been a concern, your board remains firmly committed to long term value creation for shareholders and will not shirk this responsibility.

Final Thoughts

On behalf of our directors and shareholders I would like to express appreciation to our executive teams and all our staff for their continuous contribution and support in the shared task of creating value for stakeholders. These efforts position Enterprise for renewed growth as a financial institution built on solid foundations.

Trevor Trefgarne

Chairman,
Enterprise Group Plc

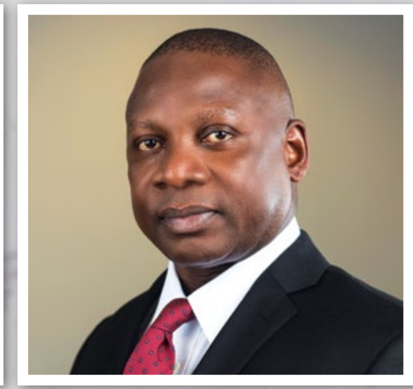
Board of Directors - Enterprise Group Plc

(Left to Right):
George Otoo, *Director,*
Martin Eson-Benjamin, *Director,*
Angela Ofori-Atta, *Director*,
Trevor Trefgarne, *Chairman.*
Fiifi Kwakye, *Director,*
Keli Gadzekpo, *Group Chief Executive Officer,*
Sadia Chinery-Hesse, *Secretary,*
Daniel Larbi-Tieku, *Deputy Group Chief Executive Officer*
Douglas Lacey *Director,*
Cleland Cofie Bruce Jnr.,
Micheal Tyson, *(Chief Finance Officer) not in picture.*

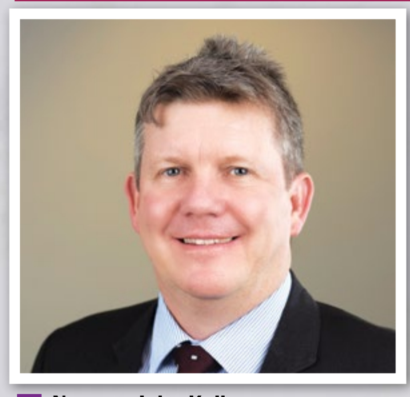
Non-Executive Directors of Subsidiary Companies

Francis Koranteng
Director - Insurance & Transitions

Comfort Ocran
Director - Insurance

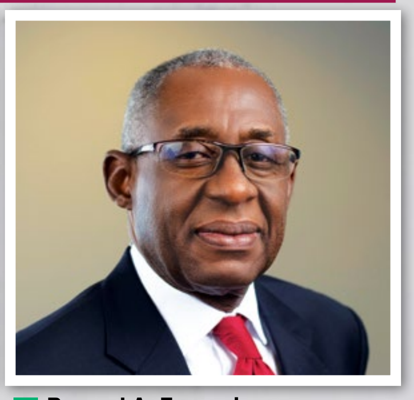


Dr. Seth Attoh
Director - Transitions

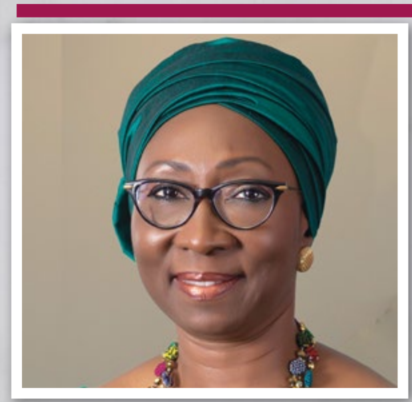


Norman John Kelly
Director - Life & Trustees

Abed Botchway
Director - Trustees



Bernard A. Forson jnr.
Director - Life



Amina Oyagbola
Director - Life

Kenneth Asante
Director - Properties

Group Chief Executive Officer's Review

"The Group showed tenacity and versatility in adopting the new work mode with all the health and safety measures and demonstrated its capabilities with great accomplishments.."

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Plc

It goes without saying that 2020 has been an extraordinary year. I feel a great sense of pride in what Enterprise Group has achieved this year. Like every other company, we have faced substantial challenges, as business operations were disrupted and normal work routines and social structures were interrupted due to the global pandemic Covid-19. Every one of our people has felt some strain and stress, but we have demonstrated conclusively, that Enterprise Group remains strong, stable and capable of delivering for our stakeholders, employees, shareholders, clients, and the communities in which we operate.

Looking back at the full fiscal year 2020, we began just as we planned, by collaborating to deliver value and quality to our clients and all other stakeholders. Then, the world changed. The Covid-19 global pandemic arrived, with the resulting economic recession not far behind. By the beginning of March, we knew that the pandemic reality would bring an entirely new set of challenges, requiring an extremely urgent and agile response.

We wasted no time adjusting our mission, with our newly articulated purpose in mind. We committed to four very specific and clear objectives, and have stuck with them:

1. To protect our people.
2. To be there for our clients.
3. To giving back to our communities; and
4. To keep our Group strong

Protecting Our People

We successfully implemented a Covid 19 Response Plan, protecting the safety and well-being of our employees, customers and all our stakeholders. We provided all needed logistics that enabled our staff to comply with the national protocols outlined by Government. In addition, we changed our work mode and adopted a more agile and flexible work routine to minimise the exposure of our staff to the pandemic. Employees who were at any point identified as having been in contact with an infected person were provided with free testing and isolation arrangements.

Be there for Our Clients

All digital channels were activated and reinforced to ensure our cherished clients could still reach out to us during the difficult period. All our subsidiaries put in place arrangements to ensure that our clients who could not honour their premium payments during the period were given reasonable periods to return to premium payments. For our heroic Healthcare workers, we went a step further and waived their Life Insurance premiums for two months so that they would have the peace of mind to help the nation fight the pandemic on the frontlines. Despite the disruption to our normal office operations, we continued to deliver high levels of service to our customers, with most of our staff working remotely, and continued to assure our cherished customers of our preparedness to walk with them during the period.

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

Giving back to our Community

The Group supported the fight against the spread in diverse ways. We were the first in the country to donate testing materials to the Noguchi Memorial Institute to improve their testing capabilities. In addition to this, the Group donated patient care consumables to the Ridge Hospital in Accra. Finally, the Group took out a Life Insurance policy for approximately 2,000 front-line health workers, with a total sum assured of GHS20m.

Keep our Group Strong

In 2020, we proved the solidity of our Balance Sheet, the agility of our people and the timeliness of our digital strategy, all of which helped us to quickly adapt to new ways of serving our customers and protecting our employees. With the continued strengthening of our Balance Sheet, cash flows and our ongoing focus on capital efficiency, I am confident that we will do this while continuing to grow our portfolio.

Economic Overview 2020

In 2020, the Ghanaian economy suffered from the collapse in export revenues from oil and cocoa, and from the effect of the Covid 19 pandemic measures. The Government put in place a support plan, the Coronavirus Alleviation Programme, worth 3% of GDP. Ghana's public accounts deteriorated, with debt increasing from 62.8% GDP in 2019 to 76.7% GDP in 2020.

The overall GDP growth is estimated at 0.9% with oil and 1.6% without oil. The partial monetisation of the deficit fuelled inflation, which increased from 7.2% in 2019 to 10.4% in 2020. According to IMF estimates, inflation should remain high in 2021 (8.7%) and 2022 (8%). To revive the economy and attract investment, the authorities have adopted the Covid 19 Alleviation and Revitalisation of Enterprises Support (CARES) initiative, a GHS100bn programme over 2020-2023, 30% financed by the Government. Ghana also benefited from a disbursement of USD 1 bn from the IMF, to address its fiscal and balance of payments needs.

Agriculture represents 17.3% of GDP and employs 30% of the country's workforce. Industry accounts for 32% of GDP and employs 21% of the workforce. It is dominated by mining, lumbering, light manufacturing, aluminium smelting, food processing, cement production, small commercial ship building and petroleum. The service sector is the largest component of the economy comprising 44.1% of GDP and employing 49% of the workforce. The banking sector has developed and modernized in recent years but has more room to grow. Telecommunications is the main service sector due to a rapid growth of mobile phone users

Review of 2020 Performance

1. Financial Performance

Amid the challenging business landscape, Enterprise Group remained steadfast in executing our strategies safely, sustaining operational efficiencies and ensuring fiscal discipline across all our subsidiaries. Our financial results as of December 31, 2020, show continued stability and strength as outlined in the audited results in this report.

The Group continued to demonstrate great resilience, as reflected in our operational and financial performance for the year. Our outstanding financial performance in 2020 is a testament to our concerted efforts.

Revenues

At the end of the fiscal year, despite the many unexpected challenges we faced together with our clients, our Group performed well. Group Net Income grew by 18.72%, from GHS714m to GH 848m. This performance was achieved with all our subsidiaries returning good growth at the top line. Our Net Insurance premiums grew by 21.6%, Trustees Fee Income grew by 31%, Service Fees from Transitions grew by 30% and our total Investment Income grew by 10.7% over the prior year.

Costs

Driving efficiencies across the Group is critical to free up resources for investment in product innovation and brand building, while improving returns. We continued to make progress in reducing our structural costs across administration and processes. Our structural costs as a percentage of Total Income declined for the third consecutive year, reflecting our ability to control costs even as we grow our businesses. Total cost to Net Income ratio improved from 81% in 2019 to 79% in 2020, despite a 43% increase in provisioning for insurance contract liability.

Profits

Profit after tax increased from GHS117m in 2019 to GHS147m in 2020. This represents a 25% improvement. The Compound Annual growth rate for the 5 year period from 2016 is 21.2% (2016: GHS68m to 2020: GHS147m).

CashFlows

Our cash flow generation continues with the positive trend. Net cash generated from operating activities improved from GHS224m in 2019 to GHS237m in 2020. This is a 6.2% improvement over the prior year, and it enabled the Group to support all the investments planned for the year including support for Enterprise Properties to meet its loan obligations to SCB.

2. Operational Performance

The old adage "Bad Companies are destroyed by crisis; Good Companies survive them and Great Companies are improved by them" was tested in 2020. I am proud to say that Enterprise Group was improved by the global pandemic. We proved the strength of our Balance Sheet, the agility

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

of our people and the robustness of our business model. Further, our cumulative investment in our digital strategy proved very timely. All these factors helped us to not just adapt to new ways of serving our customers and protecting our employees, but also to reinvent the way we do so by fully embracing technology. With the continued strengthening of our Balance Sheet, cash flows and our ongoing focus on capital management, I am confident that we will do this while continuing to grow our portfolio.

Our General Insurance business adopted "The Big Shift to consolidate our market leadership" as their 2020 strategic theme. The efforts behind this agenda resulted in growing top line by 25% over the prior year and doing so profitably by growing underwriting profits by 33.9%. This achievement during the Covid-19 pandemic earned Enterprise Insurance the number one spot in the Non-Life Insurance Industry with a market share of 13.4% from 12.77% in 2019.

Our Life Insurance business also adopted "Journeying together to sustain market leadership" as a strategic theme. The business generated a total of GHS525m in Gross Premium, a growth of 21% over the prior year. Consistent with prior years, the business exhibited quality growth, indicated by a 65% increase in operating profits and a 22% increase in Value of New business (VNB) written. A significant portion of the growth was contributed by the Group business, which saw an increase in its share of the business from 11% to 13%. This performance was on account of improved operational efficiencies and customer value enhancement initiatives undertaken in the individual life side of the business.

The strategic theme for our Pensions Trustees Business for 2020 was dubbed 'Excellence Above the Ordinary' which focused on improving service delivery to our members. We continued to deliver on our pledge to offer more convenient platforms for members to carry out transactions with us. This business continued its impressive growth even while gaining scale by growing its top line by 31% from GHS26.1m in 2019 to GHS34.1m in 2020. This was driven by a 29% growth in Assets Under Management and a significant improvement in customer satisfaction, as measured by the Net Promoter Score.

The Properties subsidiary which is primarily focused on internal Corporate Real Estate Services (CRES) in addition to managing our portfolio of Investment Properties, embarked on and executed several projects key during the year. Notable amongst them were:

- Leasing and set up of the Nigeria Office.
- Expansion of Cold Room at Transitions to almost double the capacity.
- Relocation and right-sizing of a number of branches.
- Leading our internal efforts to ensure strict adherence to Covid 19 protocols.
- Leading our Corporate Social investment (CSI) project, the construction of a 3-storey school complex located next to our Enterprise House office in Accra.

Our Transitions business, which was arguably the most directly impacted by the pandemic related restrictions, performed admirably by growing their top line by 31% through innovative solutions designed specifically for the pandemic era.

3. Digital Transformation

We are investing in digital transformation across marketing, social media, e-commerce and customer touch points and employee productivity. This helped us to become data-powered, develop new business models, and deliver more personalized products, messages and services for our consumers. We have provided our consumers with further opportunities do business with us from the comfort of their smart devices, from arranging private funerals, making payments for pensions contributions, renewing policies through to processing claims, all from their mobile phones. We have also increased our digital capabilities for employees to connect to one another for collaboration from any location at a time of their choosing. To ensure that our systems perform at utmost reliability, we have also increased our adoption of cloud services. Not leaving intermediaries out, we have created digital portals for them to boost their ease of serving customers and to enable them to interact directly with our systems to carry out some activities by themselves.

All these investments aim to increase our internal efficiencies, improve our consumer experiences, and drive general productivity levels higher.

4. Human Capacity Development

Employee Motivation

a. Employee Assistance Programme (EAP): Institution of EAP in the Group played a key role in employee motivation, as this initiative made available a confidential psycho-social support mechanism for all staff and their families amid the Covid 19 pandemic. This included, but was not limited to, availability of counselling services, tips on mental and physical health care and a confidential channel to liaise with Clinical Psychologists as needed.

b. Detailed safety protocols to support the new world of work enhanced employees' confidence in leadership support for both their mental and physical wellbeing.

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

c. Employee engagement activities were still deployed using innovative means for example, virtual Carols' Service, "The Jerusalema" Dance Challenge etc.

Capacity Building

a. Senior Leadership Conference: a virtual roundtable discussion with players who have travelled the road to digitally transform their businesses. This gave senior management insights into the roles they are expected to play in driving the digital transformation journey at Enterprise Group Plc.

b. E-Campus (learning platefom): Deliberate efforts to drive utilization across the Group, with the introduction of team learning and formulation of a policy to link utilization and impact on performance. This has seen an increase in utilization to 82% as at end of Q4 2020.

New Markets

During the year we fulfilled all the requirements and finally received our license to operate as a Life Insurer in Nigeria. We have since appointed a management team and staff for the company led by Mrs Funmi Omo, as Managing Director. The team having gone through a rigorous process of preparations, opened their doors to start operations on 1st March 2021. The business adopted an entry campaign theme of 'A New Life is coming' and looks to become a significant player in that market. Our successful entry into Nigeria is a significant milestone on our journey to be a West African Company.

6. Regulatory Environment

The introduction of the Motor Insurance Database by the regulator, minimised the incidence of undercutting of motor premiums and created a level playing field for all industry players within the motor space.

As a result of the impact of Covid 19 on businesses, the National Insurance Commission's plan to enforce the increase in minimum capital of insurance companies from GHS15m to GHS50m by June 2021 was reviewed. Companies now have up to January 1, 2022 to recapitalise. I am happy to announce that Our Life business is fully capitalised to GHS50m while our Non-Life Insurance business progressed with phase one of their original plan to increase the minimum capital to GHS35m and is on course to fully capitalise by March 2021 ahead of the deadline date.

From our Pensions business, the NPRA approved a 70% holding in Government instruments as a short-term measure to preserve pensions funds. The Regulator is working on three guidelines for the industry going forward and these are, porting, winding-up and digital financing guidelines. All these should help improve service delivery and public confidence in the pensions sector.

7. Community Investment

Main activities were in the areas of education and health.

Education

Construction of a modern three-storey classroom block for the Bishop JHS, Accra at a cost of GHS2.5m. The project's expected completion date is September 2021. Students and parents of the school were also taken through a financial literacy program. In addition, GHS10,000 was donated towards the 2020 Ghana Mathematical Olympiad

Health

To help in the fight against the spread of Covid 19, Enterprise Group made a cash donation of GHS0.1m to the Greater Accra Regional Hospital and Noguchi Memorial Institute. Frontline staff of Ghana Health Service were also given life cover worth over GHS20m.

Philanthropy

Enterprise Group responded to the call for assistance from the following institutions for specific projects:

Ga Mashie: Support in Disinfection Units for Ga Mashie.

5 Infantry Battalion – Burma Camp: Rehabilitation of their cookhouse.

Outlook 2021 and Beyond

We expect 2021 to continue to be challenging. Our base case is that the global economy will be somewhat better, backed by stronger growth in the Ghanaian economy. One of the important commitments we are making as we move into the future is technology. Over the past year, we have continued to implement software platforms that help us improve the services we provide and enhance our internal processes. We have invested to improve on our client engagements. Thus, we will continue to ensure the convenience of our clients in dealing with us is improved significantly.

To become more customer-centric, we have made it a priority to embed ourselves in the customer's journey. This means thinking about our diverse offerings not as a separate activity, but as one that should be seamlessly interwoven into a customer's everyday life. To do so, we need to have a relentless focus on customers' true "jobs-to-be-done." This is another commitment into the future.

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

Conclusion

With solid foundations of our vision, mission and shared values, Enterprise Group has adapted quickly to the new reality brought on by the Covid 19 pandemic. The Group showed tenacity and versatility in adopting the new work mode with all the health and safety measures and demonstrated its capabilities with great accomplishments. Despite the limitations, we managed to maintain the growth momentum to propel us forward in the coming years. The future holds much promise for the Group, and we are confident in continuing to deliver value for our shareholders while bringing the Group to greater heights.

Finally, I would like to especially thank my Management Team across all subsidiaries for their exemplary leadership provided throughout the year. I cannot end without saying a big Äyekoo" to our dedicated staff who braved through the scare of infection to achieve excellent result. I would also like to acknowledge my fellow board members for their invaluable support they bring a real diversity of experience, insight and expertise to the Group.

Thank you all and God Bless!

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Plc

Enterprise Insurance Company Limited Report

"We were able to achieve a top line growth of 25% over the previous year, which earned us the number one spot in the Non-Life Insurance Industry."

Ernestina Abeh
Managing Director,
Enterprise Insurance

Introduction

The year 2020 was eventful. The onset of Covid-19 and the catastrophic impact it had on global businesses and world economies cannot be understated. Despite the frantic global efforts to contain the spread of the virus, it remains a major headline underscored with heightened anxiety and uncertainty about how it will shape the future both socially and economically.

As a business, we had our fair share of the effects of this pandemic, as Ghana enforced a partial lockdown in the first quarter of 2020. Like the rest of the world, we had to adapt our operational model to our new circumstances which kept evolving due to the uncertainties of the times. In all this, we were fortunate that our business was able to deliver on our strategic priorities and goals for 2020. In what seemed like impossible times, we were able to push beyond our limits to stay relevant and ready for the marketplace that was also trying to find its feet.

With mixed feelings of pride about my team and our gain in what has been a painful and extraordinary year, I am elated to present Enterprise Insurance's performance for 2020. In line with our 2020 strategic ambition of creating a "Big Shift "to Consolidate our Market Leadership" we were able to achieve a top line growth of 25% over the previous year, which earned us the number one spot in the Non-Life Insurance Industry. Our Profit after Tax also grew by 7% to GHS22.4m compared to GHS20.9m in 2019.

Our Investment Income grew by 19%; and although claims grew by 16%, this was well within the anticipated margins.

Regulatory Framework

Following the introduction of the Motor Insurance Database by the Regulator, the unpleasant incidence of undercutting of motor premiums was minimised, creating a level playing field for all industry players within the motor space. At Enterprise Insurance, we were able to capture a fair share of the motor business, with our motor portfolio growing by 42.5% over 2019 and contributing 51% to our Gross Premium.

As a result of the impact of Covid 19 on businesses, the National Insurance Commission's plan to enforce the new minimum capital of insurance companies from GHS15m to GHS50m by June 2021 was reviewed. Companies now have up to January 1, 2022 to recapitalise. We wish to reiterate our assurance that this demand will be met.

Business Review

Last year marked the beginning of our five-year strategic journey dubbed "The Big Shift to Consolidate our Market Leadership". It was evident that Enterprise Insurance had gotten to a stage that required a quantum leap in growth. We were determined to make this happen as well as ensure that we returned good profit to our shareholders.

Enterprise Insurance Company Limited Report *(continued)*

The strong growth recorded in both the top line and the bottom line can be attributed to the increase in new business and improved client retention driven by our frontline teams. Their effort was augmented by the back-office team, which resulted in efficient claims management and a responsive, quality service delivery.

We invested in research activities to gain a deeper understanding of our consumers and to enable us to develop innovative solutions for our chosen markets.

Additionally, we remodelled our framework for intermediary engagements which enhanced collaboration and business results.

We opened an exclusive processing hub for our Agents, another first in the industry. This dedicated hub gave the Agents a place they could call their own, where they receive prompt attention on their back office needs and other support. This initiative together with the creation of an online agency portal boosted the moral of the Agents and resulted in an increase in Agency production by 23% from GHS28.6m in 2019 to GHS35.2m in 2020.

During the pandemic and in our bid to mitigate the envisaged hardships associated with it, we introduced the **Enterprise Insurance Advantage Offer** on all Active Motor Insurance Policies for the period 1st April to 30th September 2020. Motor policyholders were given the following:

- **Life Cover including Covid 19 –** GHS5000 to be paid to their beneficiaries if they are diagnosed with Covid 19 and lose their lives following the diagnosis.
- **Hospitalization Cash Benefit of Ghc 250 per day for 3 days –** Customers who are hospitalized as a result of Covid 19 were given a total cash benefit of GHS 750. In 2019.
- **50% Waiver of Motor Claim deductible –** Clients are expected to bear a certain percentage of their claim as a loss participation mechanism. During this difficult season, we waived or paid half of what each claimant would otherwise have had to bear.

Our New Operating Model

As was the case with businesses the world over, we were compelled to reengineer our key business processes to adjust to the “new normal” of working remotely to seamlessly deliver the same value of service expected by our clients. Thankfully, with our Strategy for Digitisation already in place, we successfully adapted to remote working and leveraging customised technology solutions to serve our clients. The utilization of online channels to do business increased. The Enterprise Advantage App which was launched in August 2019, together with the USSD code, enabled clients to buy and renew policies as well as lodge claims at their convenience.

Corporate Awards

In 2020, our performance was seen and recognized by various reputable institutions:

- The Global Credit Rating (GCR) Agency of South Africa revised our rating upwards from the AA- 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 2019 at the Ghana Insurance Awards and the Chartered Insurance Institute of Ghana respectively.

CSI Activities -Driver & Road Safety Awards

Aside the Corporate Social Investment embarked upon by the Group, Enterprise Insurance undertook the following activities as part of our Corporate Social Investment:

- Donation in support of the Northern Disaster Fund instituted by Multimedia as part of efforts to alleviate the devastating effects of the Bagre Dam spillage on residents and farmers in the Northern part of the country.
- We also partnered the following:
  - Accident Victims Support Ghana a Ghanaian-based NGO;
  - Ghana Institution of Engineers and the Ghana Blind Union Association respectively.

Enterprise Insurance Company Limited Report *(continued)*

Company Performa

Summary of Key Financial performance GHS'000

	2020 GHS'000	2019 GHS'000	GROWTH %
True Gross Premium	259,686	207,059	**25%**
Net Written Premium	155,979	116,592	**34%**
Net Premium Earned	139,574	111,848	**25%**
Net Claims Incurred	(69,184)	(59,885)	**16%**
Net Commission	(12,068)	(8,859)	**36%**
Management Expenses	(52,347)	(43,367)	**21%**
Underwriting Profit	5,975	4,459	**34%**
Income from Investment	25,249	21,293	**19%**
Other Income	3,537	8,050	**-56%**
Finance Cost	(2,388)	(3,560)	**-33%**
Profit before Taxation	32,373	30,242	**7%**
Profit after Taxation	22,415	20,946	**7%**

Gross Premium grew by 25% largely driven by the three traditional portfolios; Motor, Fire and Accident portfolios which contributed 87% to total Gross premium (83% in 2019). Marine Hull and Aviation portfolios together contributed 3% to total Gross Premium compared with the marginal contribution of 0.1% in 2019.

Net Written Premium went up by 34% in 2020. The growth was largely driven by 2 key portfolios, Motor and Accident.

Claims Incurred grew by 16% over the previous year as a result of strengthening the innovations around prompt claims payment.

Management Expense grew by 21% over prior year. The expense growth was impacted by the unplanned Covid-19 expenses.

New Business Income of GHS96.0m represents contribution of 37% of total Gross Premium. New streams of business acquisitions and strengthening of existing channels of sourcing business ensured this outcome.

Underwriting Profit recorded was GHS5.9m, a 34% growth over previous year. The improvement in Net Premium earned and prudent claims management resulted in this out-turn.

Investment Income of GHS25m represents 19% growth over 2019 income of GHS21m

Profit After Tax recorded a moderate growth of 7% over previous year. This growth was adversely impacted by a 56% decline in other income.

PORTFOLIO ANALYSIS 2020

GHS'000	ACCIDENT	ENGINEERING	FIRE	M. HULL	MOTOR	MARINE	AVIATION	TOTAL
Gross Written Premium	33,462	20,527	60,055	6,496	132,325	5,068	1,755	259,686
Net Written Premium	18,923	607	10,119	72	124,418	1,810	32	155,979
Net Earned Premium	18,043	568	9,813	114	109,230	1,780	25	139,574
Claims Incurred	(8,940)	(432)	(4,060)	-	(55,409)	(192)	(150)	(69,184)
Net Commission	(2,259)	1,386	1,025	637	(16,905)	93	96	(12,068)
Expenses	(7,067)	(523)	(5,758)	(262)	(37,690)	(785)	(262)	(52,347)
Underwriting Profit/Loss	196	1,536	1,161	427	1,269	1,681	(294)	5,975

2020 PORTFOLIO COMMENTARY

Fire continues to be the 2nd largest contributor to Gross Premium Income and the 3rd highest in terms of the Net Premium Income. This account constitutes 23.1% of overall Gross Premium Income and grew by 14.1% from GHS52.6m in prior year to GHS60.1m in 2020. Likewise, underwriting profit grew significantly by 612% from GHS0.163m in 2019 to GHS1,161m

Accident overall contribution to Gross Premium Income was 12.9% as Gross Premium increased from GHS25.4m in previous year to GHS33.5m in 2020. This line of business posted an increase of 105% in Underwriting Profit amounting to GHS0.196m.

Enterprise Insurance Company Limited Report *(continued)*

Engineering recorded a decline of 10.1% in Gross Premium i.e from GHS22.8m in 2019 to GHS20.5m in 2020. The portfolio is the second highest profitable line of business, returning an underwriting profit of GHS1.5m.

Marine contributed 1.9% to Gross Premium Income with a drop in Gross Premium Income from GHS9.1m in previous year to GHS5.1m in 2020. Nonetheless, the portfolio recorded the lowest loss ratio of 30%, hence improving its underwriting loss in 2019 of GHS2.5m to a profit of GHS1.7m in 2020.

Marine Hull and Aviation generated 3.2% of our Gross Premium Income. In 2020, with a relatively low premium retention (3%), this line of business grew by 93% to generate a Gross Premium of GHS6.5m from GHS4.3m last year, but realized a marginal Underwriting Profit increase from GHS0.183m. to GHS0.427m.

Motor remained the highest contributor to Gross Premium and Net Premium Income i.e 50.9% and 79.8% respectively. With the highest net retention of 94%, Premium Income increased by 42.6% amounting to GHS132.3m in 2020. The portfolio returned the highest Underwriting Profit of GHS1.269m.

Our People

I cannot end without celebrating our people, "The Beautiful People of the TrueBlue Tradition". They have demonstrated so much dedication and commitment to our "Big shift" agenda. The preparedness and willingness of our human capital to execute the business strategy was a major contributory factor in achieving desired results. To mitigate the impact of Covid 19 on our business, we invested in the necessary tools required by staff to enable them work remotely. This investment yielded the required results through the positive attitude of the team in going the extra mile to prospect for new business and engage clients to retain their business with us. We instituted an in-house online monthly capacity building series dubbed "Sunshine Series" to enhance technical skills of the team. Staff also intensified their use of our online learning platform to build their soft skills during the year under review. Other virtual interventions, team engagement and business performance review sessions, all served as channels that motivated the team to perform at their peak amid the pandemic.

Outlook for 2021

Our current work mode which allows staff to work remotely will continue in 2021 and beyond, as we leverage on our investment in technology and minimise our staffs' exposure to Covid 19. The customer will be at the heart of everything we do, and this would be driven by service excellence and innovation.

We have received insights into our operations in terms of expense and profitability analysis. These reports would be operationalised to ensure that we focus on the right mix of businesses, price right and make a decent profit. We expect that, having used the Motor Insurance Database and electronic stickers for about a year and with NIC's vigilant watch to ensure that the right things are done by industry players, we expect a level playing field within the industry where undercutting will be reduced, if not completely eliminated. At the end of the day when pricing for insurance is done right, profitability of the Non-Life insurance space will be improved.

Concluding Remarks

There are exciting times ahead. Our business is well positioned to deliver on our strategy. Our people are committed to deliver on the Big Shift agenda for exponential growth. We are committed to pay dividends to our shareholders year after year. As a business, we are prepared to deliver superior service to our clients as we ride on the Technology and the Digitization agenda.

To our partners the Brokers and Agents who have believed in us and have supported our business, I wish to use this platform to appreciate every one of them for their continued support throughout the year. We could not have achieved our success without their valuable contribution.

Special thanks to our Board, whose continuous guidance, valuable insights and direction, helped us throughout the year.

I thank my team, the TrueBlue Family, who stayed focused, and committed to ensure our dream of becoming the market leader was achieved. Your sacrifice and commitment to our 2020 goals are most appreciated.

I am confident about the future. With all the structures, people and support systems in place, I know we will have a successful business year in 2021.

Ernestina Abeh
Managing Director, ,
Enterprise Insurance

Enterprise Life Assurance Company Limited Report

"The performance of 2020 bears testimony to the strength and resilience of our people to perform at their optimum. The business continues to invest substantial amounts in the training and development of our greatest asset at all levels."

Jacqueline Benyi,
Managing Director,
Enterprise Life

Introduction

The year 2020 as witnessed by the world was marked by the Covid-19 crisis and its attendant impact on the global economy. For Enterprise Life, 2020 was indeed a challenging, yet eventful year for our business.

The financial sector stabilized following the end of the financial sector cleanup in the previous year. 2020 was billed to be the year of consolidation, as balance sheets of banks became stronger and refunds to customers affected by the cleanup were expected to be accelerated.

The Insurance Regulator (NIC) continues to focus its attention on compliance measures and good governance initiatives. The Regulator has revised the deadline for the implementation of the new Minimum Capital requirements from the original deadline of 30 June 2021 to 01 January 2022. This was ostensibly informed by the impact of the Covid 19 on the ability of some players in the industry to raise the additional capital required from local or international investors.

Regardless of the uncertainties in the year, we sustained our leadership of the Life Insurance Industry, though our market share did not grow to expected levels. Our market share reduced from 26.5% in 2019 to 25.7% in 2020.

Whilst Covid 19 forced companies including Enterprise Life to remodel and implement significant changes away from business as usual, the process improvements and technological innovations implemented in prior years put us in a position to weather the storms. This affirms the robustness of our business operations.

We successfully implemented our agile working model with almost 80% of staff working from home. Though newly introduced, we maintained our back-office operations at above 95% efficiency with very minimal disruptions. Our sales model was repurposed to enable us remain active and relevant in the market even within the difficult context of social distancing, lockdowns and remote work.

To buttress this point, our premium collection rates saw an improvement to 88%, and new business growth saw a slight growth from previous year, despite the challenging context referred to above.

Enterprise Life's Gross Premium reached GHS518m, a growth of +20% (this is slightly slower than the prior year growth of +21.5%). We also achieved a Profit before Tax of GHS146m a growth of +60%, largely fueled by cost containment measures whilst improving on premium collection rate.

This is remarkable given the challenging circumstances under which the business was forced to operate.

Focus for 2020

We were able to achieve most of our strategic actions for the year, though a number of actions particularly in the areas of customer engagement, business expansion and

Enterprise Life Assurance Company Limited Report *(continued)*

product development were slowed down or put-on hold as a result of the Covid 19 pandemic.

Financial Performance

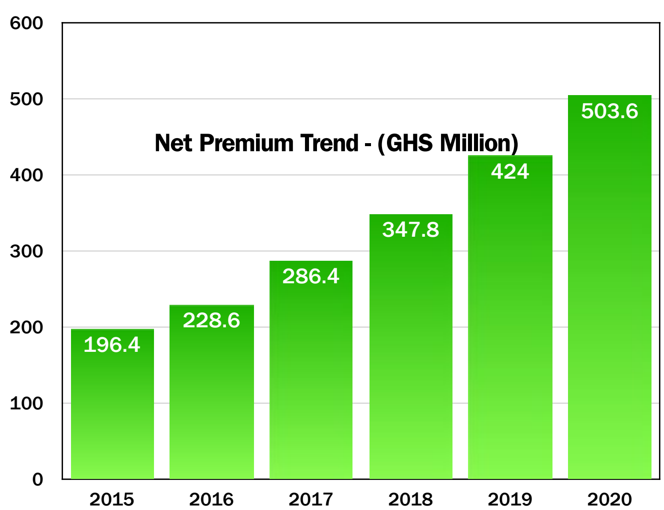
Creation of value for all stakeholders continues to remain our primary objective throughout the year. A demonstration of our commitment to generate value for all stakeholders was seen in the revenue and profits recorded. We were able to honour our promise to our policyholders by paying about GHS192m in claims and benefits, compared to the GHS187m paid in 2019. This was a 3% rise over 2019. Admittedly, claims growth was much subdued in 2020 compared to previous years.

Premium Income

A total of GHS518m was generated in gross premium in 2020, a growth of 20%. Individual business contributed 87% (compared to 89% in 2019). Group Corporate business improved its share from 11% in 2019 to 13% in 2020. Net premium was GHS503m, representing a growth of 21% over prior year 2019.

This performance was on account of improved collection rate to an average of 88% (from 85% in 2019) and customer value enhancement initiatives undertaken in the individual life side of the business.

The corporate business made great strides in 2020. It grew by 47% in 2020 (compared to the 12.3% recorded in 2019). Despite the overall growth recorded, new business generation remained weak, growing by only 0.5%.



Investment Income

Total Net Investment and other income grew by 36% (compared to the 8.6% of 2020). This was on account of a 29% increase in our investment's portfolio and the excellent returns thereon. This overall positive returns on investments were in spite of the significant losses recorded on equity investments due to the negative performance of the Ghana Stock Market. The Composite Index of the GSE declined for a second successive year. The GSE Index recorded a loss of -14% at the end of the year under review (compared to a loss of -12% in 2019).

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.

Equity investments make up about 10% of our investment portfolio.

Total Expenses

Total expenses grew by 15% in 2020 (same growth rate as in 2019). However, the expense ratio has declined from 95% in 2019 to 91% in 2020.

A net total of GHS456m was spent on Operating Expenses. The largest spend items remain on Benefits and Claims, which recorded a total of GHS192m representing 42% (46.1% in 2019) of total Operating Expenses. However, Benefits and Claims saw only a 3% growth in 2020.

Selling Expenses constitute 19% (17% in 2019), whilst Management Expenses constitute 16% (17% in 2019) of Total Expenses. Reserving for actuarial liability constitutes 24% (12% in 2019).

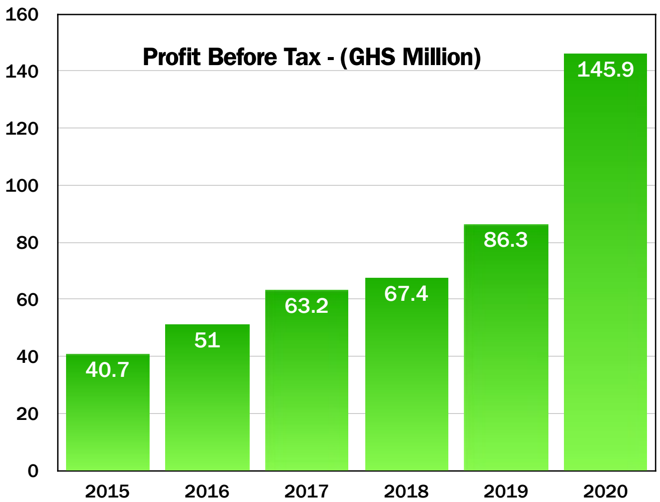
Benefits payment on our investment linked products remained one of the key areas we saw payments to our customers aside the claims on the risk products.

Our full implementation of the agile working concept and the paperlite agenda contributed to the significant savings made in Management Expenses.

Enterprise Life Assurance Company Limited Report *(continued)*

Profit before Tax

2020 Profit before Tax grew by about 60% to GHS146m over prior year. The growth in profits was on account of the improvement in Premium Income, and most importantly, the impact of cost savings that arose out of the implementation of the agile working concept induced by the Covid 19 phenomenon.



Total Assets

Total Assets grew by 22% and crossed the GHS1billion mark for the first time. Total assets stood at GHS1,016m compared to GHS834m at the end of 2019. This growth was largely contributed to by a combined 22% growth in Investment securities. Equity investments declined by 20% due to the weak performance of stocks on the Ghana Stock Exchange, whilst investments in debt securities grew by 29%. Investment properties also saw an increase by 17%, largely on account of revaluation gains.

Value of New Business (VNB)

Value of New Business increased from GHS62m to GHS 76.7m largely influenced by the improved sales and the increase in the Average Premium Income.

Embedded Value (EV)

Embedded Value grew by 14% from GHS678.3m to GHS775.2m in 2020. 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 22% and 14% respectively.

Individual Life

The retail arm of our distribution remained core to our business. It contributed 87% of our Gross Premium, a slight decline compared to the 89% recorded in 2019.

In 2020 significant investments were made to fully implement the new Distribution Model Review(DMR) after a successful pilot in 2019. The DMR was fully rolled out in both our Agency and Broker Channels. In pursuance of the paperlite agenda, we have continued to discourage the use of paper application forms following the digitalization of all our forms to improve the turnaround time from sales to first premium payment. We also drove the utilization of our digital platforms for policyholder request management, and this improved from a 6% utilization to 30% for the period.

Corporate Business

Corporate business showed significant growth. We grew this side of the business by 47%, thus pushing its share of total premium from 10.8% to 13%.

As in the previous year, the corporate side of our business made positive progress in getting new partners and we expect to announce new bancassurance relationships in 2021.

We also signed on some corporate businesses, as well as the Group cover with the Ghana Health Service (Covid 19 frontline workers coverage) in partnership with 8 other insurers.

Our credit life business gained further impetus with the signing of two (2) new credit accounts and 2 mortgage accounts.

Subsidiaries

Our two subsidiaries, Enterprise Life Gambia and Enterprise Funeral Services trading as “Transitions”, continue to make steady progress.

Enterprise Life Gambia grew its Net Premium by 13% (compared to 18% in 2019) and increased its profit by 332%. It recorded a profit of GHS1.1m from the GHS0.25m recorded in 2019. Enterprise Life Gambia remained a market leader with market share of 75% of the Life sector at the end of the year, and 18% share of the total insurance sector.

Transitions grew its revenue by 31.4% from GHS7.3m to GHS9.6m (this compares to 53% growth in 2019). The relatively slower revenue growth rate in 2020, was largely due to the Government imposed Covid 19 protocols which affected the funeral services industry in particular.

Enterprise Life Assurance Company Limited Report *(continued)*

The business was unable to achieve break even as planned. Nevertheless, it was GHS 0.36 from the break-even point.

Our People

The performance of 2020 bears testimony to the strength and resilience of our people to perform at their optimum. The business continues to invest substantial amounts in the training and development of our greatest asset at all levels.

Despite the impact of Covid-19 protocols on physical meetings, we continued to invest in alternative training channels both locally and internationally, to build capacity for delivery of superior results.

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.

2021 in Perspective

The key thrust for 2021 will be to strive to be different and better at what we do. This is the same theme we had for 2020. We decided to maintain the theme because we believe that being different and better is core to the character of the thoroughbred. We plan to refine our agile working model and aggressively pursue the paperlite agenda, as the new and permanent way of doing business.

Our priorities for 2021 are distilled into 2 key points:

- Aggressive Quality growth
- Process efficiency

Our strategic actions for 2021 have been consolidated into 6 key actions, of which the majority are focused on improving the consumer experience towards increasing net premiums and cost optimization.

Like many businesses across the globe, we expect the impact of the Covid-19 pandemic to continue well into 2021. We believe that the experience in 2020 has made our business more resilient, agile and responsive to the changing needs of customers and the new mode of work.

Jacqueline Benyi
Managing Director,
Enterprise Life

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Enterprise Trustees Limited Report

"Riding on the back of the Enterprise marketing campaign for 2020 and beyond 'Dream Big with Us', we aim to provide retirement solutions that assure our members' peace of mind and security; this is aimed at freeing them to chase their dreams and achieving them, no matter how big they are."

Joseph Ampofo
Managing Director,
Enterprise Trustees

Introduction

Once again, it gives me great pleasure to report on the activities of Enterprise Trustees over the past year. The year 2020 was characterized by heightened uncertainty due broadly to the Covid-19 pandemic and its impact on the global economy. The financial year 2020 was an eventful year largely because it marked the commencement of the private sector corporate trustees' payment of true retirement benefits to members. Enterprise Trustees took significant steps through innovative products, services and processes to redefine this activity. The Pensions industry was not insulated from the impact of the Covid 19 pandemic as some of our members were affected. However, as the leading Corporate Trustee, we continued our progress of maintaining and sustaining our leadership in the Pensions industry by delivering Advantage to all who come into contact with us.

The decline in global growth as a result of the pandemic impacted negatively on GDP growth. Stock markets across the world performed poorly whilst Fixed Income Securities provided insulation in terms of returns to members. Our schemes provided returns between 16% to 18% for members during the year under review.

2020 in Retrospect

Our Strategy for 2020 was dubbed 'Excellence Above the Ordinary' which focused on improving service delivery to our members. We continued to deliver on our pledge to offer more convenient platforms for members to carry out transactions with us.

We introduced enhanced features on our online portal, The Stable to cater for employer transactions such as Validation, update employee remuneration information, member benefit request approval, among others. This we expect to fully roll out 2021.

Notable among our key actions for the year, we strengthened our Know Your Customer(KYC) drive to improve the quality of member data in our system.

As part of our efforts to drive inclusion for informal sector workers, we partnered Agrocenta, a digital food distribution platform, to provide retirement solutions to small holder farmers in Afram Plains of Ghana.

In the year under review, we were awarded the Corporate Trustee of the Year by the Chartered Institute of Marketing Ghana (CIMG) in recognition of our strategic marketing initiatives in the areas of Market Insights, Customer centrism and product innovation.

Enterprise Trustees Limited Report *(continued)*

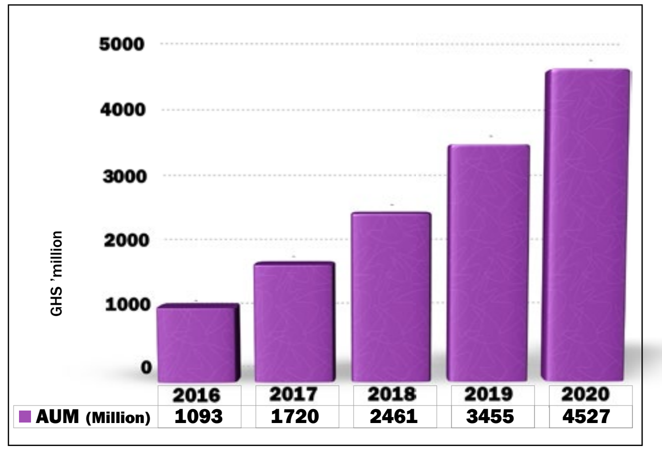
Financial Performance

Key Financial Data

	2020 GHS'000	2019 GHS'000
Fee Income	34,105	26,131
Expenses	18,316	16,613
Profit before tax	20,746	12,630
Total Assets	43,777	34,834
Shareholders Fund	31,851	24,579
Assets Under Management	4,527,464	3,455,435

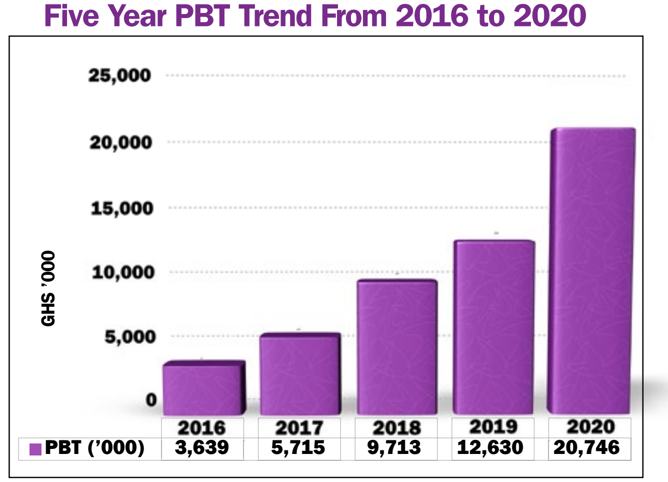
The company improved its financial performance in the year 2020 although in a challenging financial environment. The Total Assets as at 31 December were GHS43.8m which represented 25.9% growth over the 2019 figure of GHS34.8m. The core of this growth was as a result of increased investment in government bonds of about 51% over the previous year, which represented about 63% of Total Assets. Non-Current Assets registered a growth of about 30% over the 2019 figure, due to increased investment securities acquired over the period. The growth in Total Assets was financed mainly from Fee Income generated from core operations. Fee Income which was the main driver of the financial performance recorded growth of 30.52%, from GHS26.1m in 2019 to GHS34.1m in 2020. This was as a result of growth in the Schemes Assets under Management (AUM) which increased from GhS3.5b in December 2019 to GHS4.5b in December 2020 representing 29% growth rate. The AUM of Ghs4.5b excluded Temporary Pension Fund Assets (TPFA) of about GhS592m under the Health Sector Scheme, which is pending allocation as we are yet to confirm member data for accuracy to enable us do the allocations to members. Consequently, the business did not earn Fee Income on this TPFA asset. The trend in AUM is depicted in the graph below:

Five Year AUM Trend from 2016 to 2020



The seven Master Trust Schemes made significant contribution to the Fee Income. As a growing business, we continue to keep sharp focus on controlling Management Expenses. Consequently, Management Expenses grew by 10% from GHS16.6m to GhS18.3m during the period. The main cost drivers in Management Expenses were investment in technological innovation, which enabled staff to work and serve our dear customers in the 'New Normal' remotely. Further, we continued investment in improving customer experience especially regarding pensions education via Webinars, relationship management and the Enterprise Call Centre. Profit before Tax for the year was GHS20.7million representing about 64% growth over the 2019 figure of GhS12.6m. The trend for the past five years is depicted in the graph below:

Five Year PBT Trend From 2016 to 2020



Shareholders fund grew by 30% from GHS24.6m to GHS31.9m in 2020.

Enterprise Trustees Limited Report *(continued)*

Benefit Payment

Following the establishment of the new National Pensions Act, 2008 (Act 766) and subsequent amendments, Act 883 covering all workers above 50 years as at 1st January 2010, Private Corporate Trustees assumed the responsibility of paying out Tier 2 lump sum benefits to retirees who reached the mandatory retirement age of 60 years in 2020.

At the end of December 2020, approximately GHS28.7m had been paid out in Tier 2 lump sum retirement benefits to 1,136 scheme members.

Client Engagement

Despite restrictions on physical engagements as a result of Covid 19, we leveraged technology to engage our members across the country. We held our first virtual Stakeholder Forum with key client contact persons to give updates on the members' wellbeing, performance of the scheme and the general economic outlook. Through our Retirement Portfolio Advisors (RPAs), we held virtual staff education sessions throughout the year with the aim of keeping members well informed about our processes and initiatives.

Covid-19 Response

In addition to the support offered by Enterprise Group in the fight against Covid 19, Enterprise Trustees rolled out a Covid 19 Relief Package specifically targeted at scheme members.

These include Three (3) month pension contribution for retrenched members, free Life Cover for Covid 19 cases and an Employee wellbeing assistance program for retrenched or distressed employees.

Regulatory Environment

To drive financial inclusion for all workers in Ghana, the National Pensions Regulatory Authority (NPRA) intensified focus on the informal sector after achieving satisfactory results in the formal sector in terms of enrolment. To that end, Enterprise Trustees partnered the NPRA in an informal sector campaign in Accra. In terms of the market volatility affecting the financial sector and the equity market, the NPRA approved a 70% holding in government instruments as a short-term measure to preserve the pensions funds. The Regulator is working on three guidelines for the industry going forward and these are: porting, winding-up and digital financing guidelines.

Our People

To our hard-working staff, your ability to adapt to the changing world of work is a testament to our achievements over the past year. Special acknowledgement to our client facing team for your dedication to improved service delivery despite the numerous challenges

As a show of our commitment to improving service excellence across all touchpoints, we held periodic leadership and customer service trainings for all our staff including Contract and National service Personnel throughout the year. We continued to provide staff with the learning opportunities that will allow them to upgrade their skills through our e-Campus platform.

We also provided the necessary tools to aid our staff effectively work remotely most part of the year as a safety precaution against Covid-19.

2021 in Focus

As we brace ourselves for the impact Covid 19 continues to have on the world, we are hopeful that through resilience and determination, we will come out of this stronger.

Riding on the back of the Enterprise marketing campaign for 2020 and beyond 'Dream Big with Us', we aim to provide retirement solutions that assure our members' peace of mind and security; this is aimed at freeing them to chase their dreams and achieving them, no matter how big they are.

In 2021 our focus will be to optimize technological processes, improve service delivery and ensure the safety of our people in the face of the global pandemic. We will also introduce value additions through our services and products. With the introduction of our mobile van service – Pensions Express, we aim to reach members in all parts of the country with our offerings and improve service delivery.

All these will be anchored by the continuous support of our shareholders as we seek to create value.

I wish to express my profound gratitude to our shareholders, the Board and management for their wonderful support during the year under review. To our staff, we can only get better. Finally, to our Cherished members, thank you for your trust in us over the period. We look forward to continuing to work with all our stakeholders to ensure retirement income security of all our members.

I wish you well and please keep safe.

Joseph Ampofo
Managing Director,
Enterprise Trustees

Enterprise Properties Limited Report

"The impact of the pandemic proved that we had a resilient portfolio. As at year end, our portfolio was performing well with 99% of 2020 contracted revenues collected."

Kwadwo Nini Owusu
General Manager,
Enterprise Properties

The Real Esate Environment

The outlook for 2020 for the real estate sector at the beginning of the year was conservative, with most analysts predicting a general decline in rental rates, stabilization of service fees, less developments in the grade A office buildings, less speculative land prices and a preference for residential development. Hence the Covid-19 pandemic only served to make an already conservative assessment of the market even more challenging.

The attendant effects were slower than anticipated lettings across the industry especially from international tenants who needed an easing of the pandemic to close deals. Rents declined in both the residential and office sub sectors causing landlords and developers to adjust to demands from tenants for waivers and reductions on rent. Operating business models of most businesses changed first as a result of mandatory lockdowns and secondly based on a growing awareness that working from home was the new normal. The need for office spaces further declined as fewer spaces were needed to accommodate persons. This generally affected the pace of letting.

Conversely though, the pandemic also led to rapid digitalization of services and the traditional ways of doing business. Less face to face engagement with brokers was a natural consequence, increased use of digitize media to sell/let spaces and an affirmation of the need to have more service offices and to introduce new models of smaller and shared spaces.

There has been an increase for complementary services such as facility management companies to improve health and safety albeit more for the residential sub sector.

Business Analysis

One of our key objectives for 2020 was a focus on the service delivery across our services. Our business imperative for the year was a minimum net promoter score of 50%, for which we scored 69% as at year end.

Facility Management

As part of our digital agenda, we invested in our Computer-Aided Facility Management (CAFM) system, our main operating software, to make it more user friendly and accessible to our end users and improve service delivery.

In the wake of the pandemic, a lot of efforts was directed at making sure our touchpoints were safe and met statutory benchmarks. Rearranging of seating, marking of floors to ensure social distancing in all offices, constant communications of safety protocols, regular disinfection and a strict adherence to protocols culminated in being recognized with an award from the Government

Enterprise Properties Limited Report *(continued)*

We concluded a stock condition survey of all our branches and locations. This provides us with a detailed overview of the current state of all fixtures and fittings at our locations to improve our response to maintenance and safeguarding our assets. We also conducted a safety and security assessment of all the branches and operations of the Group. Through this exercise a few gaps were identified for which appropriate counter measures have been recommended for implementation in 2021.

Projects

Several projects were executed during the course of the year A cross section of these projects were:

- Advantage Place cafeteria, a state-of-the-art eatery, complementing the bouquet of services we offer to our tenants at AP.
- Enterprise Life, Nigeria office, our newest subsidiary's headquarters, part of our West African expansion
- Expansion of the Cold Room at Transitions to increase their occupancy by an additional 102%
- CCTV installations at key branches

However, due to the pandemic some projects earmarked were put on hold to be considered in 2021.

Leasing

1,238SqM of space was let at Advantage Place distributed amongst 7 tenants. 2 of these tenancies will commence in 2021. As at year end, AP occupancy was at 54% from a year start of 38%. All old leases for all branches that expired were successfully renegotiated

Financial Performance In 2020

The impact of the pandemic proved that we had a resilient portfolio. As at year end, our portfolio was performing well with 99% of 2020 contracted revenues collected. The residential portfolio was largely unaffected by the Covid-19 pandemic and we were able to claw back revenues that had been impaired in prior years. Our office portfolio collection was also unaffected at 100%. Our collections suffered due to our exposure to one tenant in the hospitality industry – an operator of a gym.

Valuations of our real estate investment portfolio averaged a loss of about -2.8% as at year end. Taking into account the impact of exchange rates, the earnings performance is as follows:

- Revenue increased by GHS2.8m in the year from GHS11,125 to GHS13,939, driven by gross Rental Income and Service Charges, which was 25% greater than prior year on the back of increased lettable spaces across both our office and residential portfolio.
- Our cost control efforts are reflected in an 40% GHS9,244/ GHS15,460 drop in expenses over prior year and 18% GHS9,244/GHS11,197 below our 2020 budgeted cost. This is consistent with our aggressive stance to minimize costs.
- Loan interest payments although expected to be lower than prior year due to an amortizing principal amount was 15% below budget GHS3,392/GHS3,976 due to a favorable restructuring of the loan's margin from 8% to 6%.

However, this sound performance across the main P&L lines is not reflected in attributable profit when compared with budget, achieving 56% of budgeted profit due significantly on the effects of the pandemic on the real estate sector. However, when compared to prior year 2019, the growth from a profit of GHS1,079 to GHS4,259 is noteworthy.

With regards to the Consolidated Balance Sheet, on the liabilities front, loans from shareholders to support the repayment of our bank loans increased by about GHS20m. The significant drivers within our assets were our investment properties, which were revalued at market rates at year end. This resulted in a consolidated increase of about GHS6.4m over prior year and is significantly due to increased value in Advantage Place, our major office complex situated in Ridge-West, Accra.

Outlook

Our outlook for 2021 remains positive. We however perceive some headwinds and challenges in the global macroeconomy which could impact our local economy. The reoccurrence of the Covid-19 pandemic though no longer new, will still present added challenges. We will rely on renewed and sharper objectives and experiences gained from 2020 and take advantage of the opportunities the market presents, to drive income growth and deliver on our objectives. We will continue to further pursue our rental efforts which have been successful to date, to improve our profitability. By leveraging on our investment in digital solutions, we will continue to improve customer service to ensure service standards meets the expectations of our clients.

Closing

Our outlook for 2021 remains positive. We however perceive some headwinds and challenges in the global macroeconomy which could impact our local economy. The reoccurrence of the Covid-19 pandemic though no longer new, will still present added challenges. We will rely on renewed and sharper objectives and experiences gained from 2020 and take advantage of the opportunities the market presents, to drive income growth and deliver on our objectives.

We will continue to further pursue our rental efforts which

Enterprise Properties Limited Report *(continued)*

have been successful to date, to improve our profitability. By leveraging on our investment in digital solutions, we will continue to improve customer service to ensure service standards meets the expectations of our clients.

Kwadwo Nini Owusu
General Manager,
Enterprise Propertie

Transitions Report

"We are happy to inform you our cherish stakeholders, that your Company, won two prestigious awards during the year: "Emerging Brand of the Year (2019)" presented by Chartered Institute of Marketing Ghana and the "Funeral Services Company of the Year (2020)" by National Customers Choice Awards Ghana (NCCA)."

Genevieve Cornelius
General Manager,
Transitions

Introduction

The year 2020 marked the beginning of yet another 5-year strategic plan for Enterprise Group which targeted at achieving ¢2billion Net Income by year 2024. As a member of the Group, Transitions' strategic plan for the next 5-years aligns perfectly to that of the Group in contributing to the achievement of the overall goal.

Four years after entering the funeral industry, Transitions has built an enviable brand on the minds of people within Ghana and abroad. We continue to provide peace of mind to bereaved families who desire an advantage in life. The past four years of 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, offering quality, convenience and a one-stop-shop approach. Our ultimate desire is to create value for all our stakeholders. Our people have been the key resource in creating value and therefore we always go in for the best you can find anywhere. We have created a pool of expertise along the funeral value chain that add the 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 customer now insist to see the Transitions logo on key products and services purchased.

As the world moved into the space of digitization, Transitions took major steps during the year to introduce digital solutions in order to achieve the objective of providing convenience to customers. We can now boast of a digital platforms such as online removal requests, online funeral planning, online funeral donations, online obituaries, live streaming of funeral services and others. 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.

Covid-19 Impact

The outbreak of the novel coronavirus was least anticipated at the planning stages of 2020 strategic plan, but the Company's digital plan and contingent strategy worked perfectly in dealing with the impact of the virus. When Ghana recorded its first case of coronavirus in March 2020, the funeral industry nearly came to standstill. The subsequent restrictions announced by Government resulted in cancellation of planned funeral services. The deployment of our' livestreaming portal to drive private burials was key in turning the tides.

Awards

We are happy to inform you our cherish stakeholders, that your Company, won two prestigious awards during the year: "Emerging Brand of the Year (2019)" presented by Chartered Institute of Marketing Ghana and the "Funeral Services Company of the Year (2020)" by National Customers Choice Awards Ghana (NCCA).

Transitions Report *(continued)*

Strategic Objectives

The Strategy theme for 2020 was "Our Services, Our Brand (OSOB)" which was to drive focus on the quality of services we deliver to our cherished customers. The strategic objective for 2020 was to attain breakeven through exceptional customer experience and create top-of-mind brand. This target was however missed due to the impact of Covid-19 on Revenue.

Financial Highlights

Despite the Company's attempts to reduce the ravaging impact of Covid 19 more especially on the funeral industry, Transitions made a net loss of GHS360,368 as against the loss of GHS3.1 million incurred in the prior year. Revenue grew by 31% over prior year, whereas Operating Expenses grew by 2%. Revenue growth was mainly driven by the introduction of Private Burial Package in response to Covid 19. We also took advantage of the pandemic to drive cost efficiency through the use of technology in driving business activities.

Revenue

As mentioned above, Revenue for the year grew by 31% over prior year. The key revenue channels continue to be walk-in funeral sales, commission from the sale of assurance product, claim income from services rendered to policy claimants, and cross sales to customers of Enterprise Group Plc. Walk-in sales was the main revenue contributing 81% of total revenue with growth of 41% over prior year. Commission income and claim income contributed negative 14% and 61% respectively. The assurance product was withdrawn from the market in 2018 for review and was reintroduced in quarter 4 of 2020. The withdrawal was the reason for negative growth in Commission Income. Cross sales also recorded negative growth of 48% due to covid-19 related challenges in driving the cross sales strategy.

Total Expenses

Operating expenses grew by 2% from GHS6.9m in 2019 to GHS7.1m in 2020 and this was due to a drive to use remote working technologies in place of traditional face-to-face engagements. There was also a decline in exchange loss on lease liability from GHS1.2m to GHS0.31m representing a 76% reduction. Personnel cost, depreciation and lease related expenses under IFRS 16 represented 71% of the total operating expense.

Net Profit/Loss

The Business recorded a net loss of GHS 0.360m during the year under review against net loss of GHS3.1m recorded in 2019, representing 88% reduction. This came at the back of severe Covid-19 related impact on business operations.

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. 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 us to optimize our 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 our funerals cannot be held on weekdays.

Risk Factors

Covid-19 continues to be the main risk to the Business as it has both direct and indirect impact on the funeral industry. Many businesses continue to fold up and this is adversely impacting on household disposable income. 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 over the years demonstrated its ability to keep these risk factors under control through the support of the experienced Enterprise Group Risk Team.

Assurance Product

We are happy to inform you that the assurance product, Transitions Plan has been reintroduced into the market. This product was reviewed and enhanced in response to the feedback received our loyal customers. This review was successfully completed and approval given by the National Insurance Commission NIC as it is distributed and underwritten by Enterprise Life. We urge everyone who is yet to sign up do so by contacting any of the Life Planners "Advantage App" or by using .

Product and Services

Transitions continue to offer 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

Transitions Report *(continued)*

- 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
- We provide everything funeral so you do not need to shop around for funeral needs.

2021 in Perspective

The year 2021 is so critical in defining how the coronavirus is managed. The announcement of vaccine by some countries provides the right gel that will lubricate the business world. We are seeing stock markets responding positively to this news and this is expected to bring back business confidence. As a member of Enterprise Group, we are poised to drive the revised 5-year strategic plan from 2020 to 2024. Our objective of Transitions for the next 5 years is to achieve and maintain profitable market leadership in the funeral industry. Our Strategic objective specifically for 2021 is to drive exponential profitable growth through legendary customer service and digitization. We will continue to stay focused on our customers and provide them with tailor made services that meet their expectations whilst we derive the ultimate financial benefit for our shareholders.

Genevieve Cornelius
General Manager,
Transitions

Transitions

THE FUNERAL PEOPLE

No need to postpone the funeral.

We have a package for you.

PRIVATE BURIAL PACKAGE:

- Live Streaming
- Chapel
- Storage
- Casket
- Hearse Service

and many more.

SMART BURIAL PACKAGE:

- Live Streaming @ your church
- Storage
- Casket
- Hearse Service

and many more.

LIVE STREAMING

Talk to us now! Hotlines:

0553802202 or 0558886268

Terms and Conditions Apply

Corporate Governance Statement

Introduction

The Boards of Directors of Enterprise Group PLC 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 including the Chairman. 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 2020.

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.

In line with it's expanded mandate, the Committee reviews 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 2020.

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

The Committee met four times during 2020.

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 2020.

The Group's Subsidiaries

The Group has five operating subsidiaries, namely:

- Enterprise Insurance Company Limited
- Enterprise Life Assurance Company Limited
- Enterprise Trustees Limited
- Enterprise Properties Limited
- Enterprise Life Assurance Company (Nigeria) Limited

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

The roles of Chairman and Managing Diretors in the subsidiaries are separate and do not vest in the same person, with each Chairman being a Non-Executive Director.

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

Corporate Social Responsibility

In the year under review, Enterprise Group continued its pledge to invest a portion of operating profit into community initiatives as a way of giving back to society to improve lives. Most of the Corporate Social Investment activities were within the Group's focus areas of education and health.

Education

Construction of Classroom Block

In 2020, the company cut the sod for the construction of a modern three storey classroom block at Bishop Mixed JHS next door to the Enterprise House on the John Evans Atta-Mills High Street, Accra. The new block will come with nine (9) classrooms, washrooms on each floor, a 3- bed infirmary, a spacious computer laboratory, modern library and an office for the head teacher. At a cost of GHS2.5m, the project is expected to be completed by September 2021.

Financial Literacy

From January to March, staff of Enterprise Group provided lessons in financial literacy for the Students, teachers and parents of Bishop Mix JHS. Students were taken through basic finance principles such as budgeting and saving to help them better appreciate the importance of financial planning.

The program which was originally slated to cover the whole year, was halted when the onset of Covid-19 in Ghana resulted in the temporary closure of schools.

Health

Enterprise Group in line with its Health focus agenda also supported institutions involved in the fight against Covid-19. The Company was the first corporate body to support the fight against the spread of the disease. The donations were made to the following institutions:

Greater Accra Regional Hospital

Enterprise Group made a donation of GHS40,000 to the Accra Regional Hospital to aid them procure medical supplies and equipment to be used in the management and care of Covid-19 cases

A cross section of Board members and staff of Enterprise who witnessed the event.

Corporate Social Responsibility *(continued)*

Noguchi Memorial Institute

The Group made a donation of GHS58,000 to the Noguchi Memorial Institute in the procurement of swabs and transport medium tubes to support the conduct of laboratory testing to guide Covid-19 control effect.

Ghana Health Service

To aid dedicated frontline medical staff involved in the management and care of Covid-19 cases, Enterprise Group supported the Ghana Health Service with life insurance cover in total sum assured of GHS 20m to cover up 2000 front-line medical and support staff.

Philanthropy

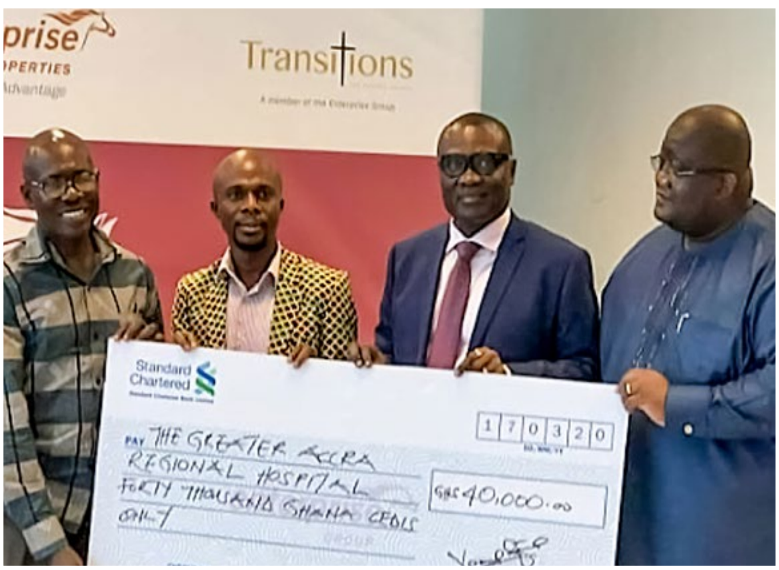
Enterprise Group responded to the call for assistance from some institutions to carry out specific projects. Beneficiaries include the following

Ga Mashie - Support in Disinfection Units for Ga Mashie

To curb the spread of Covid-19, Enterprise group provided financial assistance to the Office of the Ga Mantse to aid in disinfection.

5 Infantry Battalion – Burma Camp

Enterprise Group provided GHS50,000 to support the 5 Infantry Battalion of the Ghana Armed Forces in the rehabilitation of their cookhouse to provide a decent place for young soldiers to take their meals.



Report of the Directors
to the Members of Enterprise Group Plc

The Directors present their report and the consolidated and separate financial statements of Enterprise Group Plc ("the Group and Company") for the year ended 31 December 2020.

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 Plc, comprising the statements of financial position as at 31 December 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and 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 Company and its subsidiaries (together referred to as "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 2020:

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 People')	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
Enterprise Life Assurance Company (Nigeria) Limited	Nigeria	Underwriting life insurance policies

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

Five-year financial highlights
The five-year financial highlight is shown on page 4

Financial statements
The financial results of the Group and Company for the years ended 31 December 2020 and 31 December 2019 are set out in the financial statements, highlights of which are as follows:

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit before tax	**25,826**	28,659	**175,514**	135,790
Profit after tax	**25,093**	28,735	**146,729**	117,225
Total Assets	**488,954**	470,181	**1,745,508**	1,499,116
Total Liabilities	**47,996**	45,088	**981,122**	832,221
Total Equity	**440,958**	425,093	**764,386**	666,895

The Directors recommend payment of a dividend of GH¢ 0.062 (2019: GH¢ 0.054) per share. The Directors consider the state of the Group and Company'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 Group and 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 134 of the annual report 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 26 to the financial statements.

Corporate social responsibility and code of ethics
A total of GH¢ 291,700 and GH¢ 86,900 (2019: GH¢ 364,831 and GH¢ 93,400) 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 Limited; Enterprise Properties Limited; Enterprise Life Assurance Company Limited; Enterprise Funeral Services Ghana Ltd; Seventh Avenue Properties Ltd; Enterprise Insurance Company Ltd; Databank Epack Investment Fund Ltd; Databank Financial Services Ltd; Bank of Ghana; Electricity Company of Ghana Ltd and Grace Strategic Ventures Ltd.

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

Board of Directors *(continued)*
Profile

Executive	**Qualification**	**Outside board and management position**
Cleland Cofie Bruce Jnr.	ACII, FIIG, MA (Leading Change)	Enterprise Trustees Ltd; Inovare Ltd; Enterprise Life Assurance Company (Gambia) Ltd.
Daniel Larbi-Tieku	B. Sc. Accounting, FCCA, MSc Finance	Enterprise Funeral Services Ghana Ltd; Enterprise Life Assurance Company (Gambia) Ltd, Randace Company Ltd, and Prudential Bank Ghana Ltd.
Non-Executive	**Qualification**	**Outside board and management position**
Trevor Trefgarne	Graduate of Cranfield School of Management	Enterprise Life Assurance Company Ltd; Enterprise Insurance Company Ltd and Enterprise Properties Ltd.
Martin Eson-Benjamin	B.Sc. Admin, UG	CFAO Ltd; Enterprise Insurance Company Ltd and Millennium Development Authority.
Prof. Angela Ofori-Atta	BSc, MA, PhD: Psychology	Databank Financial Services Ltd; Databank Asset Management Services Ltd; Enterprise Funeral Services Ghana Ltd and Grace Strategic Ventures Ltd.
George Otoo	MBA Insurance Management UK, Diploma WAII Insurance Liberia, Associate ACII UK	Databank Epack Investment Fund and Ghana Reinsurance Company Ltd.
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 Ltd; Phlox Services Ltd; Enterprise Trustees Ltd and Enterprise Life Assurance Company Ltd.
Douglas Lacey	B,Com; Master’s Degree in Business Leadership,FCII (UK)	Enterprise Insurance Company Ltd; Enterprise Properties Ltd and Grace Strategic Ventures Ltd.

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

Board of Directors *(continued)*

Biographical information of directors

Age category	Number of directors
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. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group's annual business plan, the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the Regulations, actions brought by or against the Group, and the scope of delegations to Board committees, subsidiary Boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the Executive Directors and a Management Committee, which as at the date of this report includes the Executive Directors and Senior Managers.

Internal control systems
The Directors have overall responsibility for the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Executive Directors and other Senior Management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives 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.

Conflicts 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 considers that the Chairman is independent on appointment and all Non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the Non-Executive Directors has been confirmed by the Board of Directors.

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

Capacity building of directors to discharge their duties
On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Company operates. Programmes of strategic and other reviews, together with the other training programmes provided periodically, 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 to enable them effectively fulfil their role on the Board and committees of the Board.

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 Company for 5 years. KPMG does not provide non-audit services to the Company.

Audit fees
The audit fee for the year is GH¢ 826,000 and GH¢ 109,000 (2019: GH¢ 754,000 and GH¢ 99,000) for the Group and Company respectively.

Change of name
The Company changed its name from Enterprise Group Limited to Enterprise Group Plc in line with the requirements of the Companies Act, 2019 (Act 992) which replaced the Companies Code, 1963 (Act 179). The new name was duly registered with the Registrar of Companies on 31 August 2020.

Approval of the report of the directors
The report of the Directors of Enterprise Group Plc was approved by the Board of Directors on 26 March, 2021 and signed on their behalf by;

Keli Gadzekpo
Group Chief Executive Officer

Fiifi Kwakye
Director

Financial Statements

Independent Auditor Report
to the Members of Enterprise Group Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Enterprise Group Plc ("the Group and Company"), which comprise the consolidated and separate statement of financial position as at 31 December 2020, 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 54 to 133 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 as at 31 December 2020, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards 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 I nternational Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (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 18 and 20(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 2020, the life fund and IBNR provision amounted to GH¢ 677.9million and GH¢ 25.4 million respectively. These make up 72% 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;</td></tr>
</table>

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

<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>• 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;

• 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 34 to the consolidated and separate financial statements</td></tr>
<tr><td>The main streams of revenue for the Group include gross insurance premiums (non-life insurance premium, life premium –individual premium and group premium). The gross insurance premium revenue was GH¢ 785 million at 31 December 2020.

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 system;

• Agreed the amounts per the deduction reports to the general ledger.</td></tr>
</table>

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

Revenue recognition *(continued)* Refer to Notes 34 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. • Tested the underlying data used in the determination of the deferred premium to relevant supporting documents. • 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), Corporate Information, Five-year Financial Summary, Shareholder Information and Certificate of Solvency in Respect of Life Business 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 this 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.

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

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 scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group 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.

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

We also provide the Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, 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/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA
19 April, 2021

Consolidated and Separate Statements of Financial Position

As At 31 December 2020

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
ASSETS	**Note**	**2020**	**2019**	**2020**	**2019**
Deferred tax assets	23	-	733	**9,011**	11,207
Investment in subsidiaries	9	286,883	164,400	-	-
Investment property	8	-	-	288,519	270,493
Property and equipment	6	17,247	19,609	75,381	76,062
Intangible assets	7	-	-	112	1,102
Investment securities	11	12,537	2,676	1,054,983	794,153
Inventories	25	-	-	451	416
Trade and other receivables	12	-	2,410	74,809	13,891
Prepayments		366	455	1,894	1,823
Deferred commission expense	13	-	-	13,832	10,102
Due from re-insurers	14	-	-	21,142	16,497
Due from related party	26	139,977	116,694	-	-
Current tax assets	28	-	-	967	766
Cash and bank balances	15	31,944	163,204	204,407	302,604
Total assets		**488,954**	**470,181**	**1,745,508**	**1,499,116**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	17(a)	258,886	258,886	258,886	258,886
Deposit for shares	17(b)	-	-	996	996
Retained earnings	17(c)	182,072	166,207	265,382	209,628
Foreign currency translation reserve	17(d)	-	-	(5,669)	1,074
Contingency reserve	17(e)	-	-	65,745	52,426
Statutory reserve	17(f)		-	5,947	3,656
Equity attributable to owners of the company		440,958	425,093	591,287	526,666
Non-controlling interest	10	-	-	173,099	140,229
Total equity		440,958	425,093	764,386	666,895
Liabilities					
Life fund	18	-	-	677,916	569,252
Deferred tax liabilities	23	-	-	1,766	-
Lease liability	40a(v)	13,993	14,135	12,913	7,219
Loans and borrowings	24	-	-	26,912	43,136
Policy holder retention scheme		-	-	2,165	2,300
Unearned premiums and unexpired provision	19	-	-	56,405	40,000
Outstanding claims	20	-	-	46,045	36,014
Trade and other payables	21	9,403	6,274	82,622	65,382
Deferred commission income	22	-	-	7,572	7,700
Due to re-insurers	14	-	-	14,581	13,195
Due to related parties	26	21,933	21,933	47,725	42,434
National fiscal stabilization levy payable	27	-	-	40	881
Current tax liabilities	28	2,667	2,746	4,460	4,708
Total liabilities		47,996	45,088	981,122	832,221
Total equity and liabilities		**488,954**	**470,181**	**1,745,508**	**1,499,116**

These financial statements were approved by the Board of Directors on 26 March, 2021 and are signed on its behalf by:

……………………………………………… ………………………………………………………

Keli Gadzekpo
Group Chief Executive Officer

Fiifi Kwakye
Director

The notes on pages 60 to 133 are an integral part of these financial statements

Consolidated and Separate Statements of Comprehensive Income

As At 31 December 2020

(All amounts are in thousands of Ghana cedis)

		The Company		The Group	
	Note	**2020**	**2019**	**2020**	2019
Investment income	29	54,149	44,574	136,496	114,398
Fair value loss on investment property	8	-	-	(2,441)	(19,762)
Exchange difference on valuation of		-	-	11,326	35,870
investment property	8	-	-	-	-
Investment expenses		-	-	(3,719)	(2,498)
Net investment income		**54,149**	**44,574**	**141,662**	**128,008**
Gross insurance premium	34	-	-	785,419	642,279
Insurance premium ceded to reinsurers	34	-		(117,628)	(101,664)
Net insurance premium		-	-	**667,791**	**540,615**
Change in unearned premium	19	-		(16,405)	(4,745)
Net insurance premium revenue		-	-	**651,386**	**535,870**
Other revenue	30	-	-	48,024	35,538
Other income	31	104	4,233	6,675	14,672
		104	4,233	54,699	50,210
Net income		**54,253**	**48,807**	**847,747**	**714,088**
Insurance benefits and claims	32	-	-	(266,065)	(249,615)
Change in life fund liability	18	-	-	(108,565)	(75,731)
Net benefits and claims		-	-	**(374,630)**	(325,346)
Finance cost	41	(1,813)	(3,191)	(4,979)	(8,426)
Impairment (loss)/release on financial assets	4(2.2)	-	-	(5,670)	333
Investment property write off	8	-	-	-	(4,781)
Operating expenses	33	(26,614)	(16,957)	(190,846)	(163,798)
Commission expense	35	-	-	(123,051)	(97,480)
Commission income	36	-	-	26,943	21,200
Net expenses		**(28,427)**	**(20,148)**	**(672,233)**	**(578,298)**
Profit before national fiscal stabilisation levy and income tax		**25,826**	**28,659**	**175,514**	**135,790**
National fiscal stabilisation levy	27	-		**(8,914)**	(6,073)
Income tax (expense)/credit	28	(733)	76	(19,871)	(12,492)
Profit for the year		**25,093**	**28,735**	**146,729**	**117,225**
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Foreign operations - translation difference		-	-	(6,910)	**346**
		-	-	(6,910)	**346**
Total comprehensive income for the year		**25,093**	**28,735**	**139,819**	**117,571**
Profit attributable to:					
Owners of the parent		25,093	**28,735**	81,344	79,634
Non-controlling interest		-	-	65,385	37,591
		25,093	**28,735**	**146,729**	**117,225**
Total comprehensive income attributable to:					
Owners of the parent		25,093	28,735	73,849	79,894
Non-controlling interest		-	-	65,970	37,677
		25,093	**28,735**	**139,819**	117,571
Earnings per share					
Basic (GH¢ per share)	39	0.147	0.168	0.476	0.466
Diluted (GH¢ per share)	39	0.147	0.168	0.476	0.466

The notes on pages 60 to 133 are an integral part of these financial statements

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2020

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Contingency reserve	Statutory reserve	Total	Non controlling interest	Total Equity
Balance at 1 January 2019	258,886	996	151,564	814	142	42,053	2,216	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
Statutory transfers										
Transfer to statutory reserve	-	-	(1,440)	-	-	-	1,440	-	-	-
Transfer to contingency reserve	-	-	(10,373)	-	-	10,373	-	-	-	-
	-	-	(11,813)	-	-	10,373	1,440	-	-	-
Transactions with owners of the company										
Cancellation 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**	**209,628**	**1,074**	**-**	**52,426**	**3,656**	**526,666**	**140,229**	**666,895**

**Transaction with NCI represents the NCI portion of the fair value gains on property and equipment for Enterprise Life Assurance Company Limited which was eliminated on consolidation

The notes on pages 60 to 133 are an integral part of these financial statements

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2020

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Contingency reserve	Statutory reserve	Total	Non controlling interest	Total Equity
Balance at 1 January 2020	258,886	996	209,628	1,074	52,426	3,656	526,666	140,229	666,895
Total comprehensive income									
Profit for the year	-	-	81,344	-	-	-	81,344	65,385	146,729
Currency translation difference	-	-	-	(6,743)	-	-	(6,743)	(167)	(6,910)
Total comprehensive income	-	-	81,344	(6,743)	-	-	74,601	65,218	139,819
Statutory transfers									
Transfer to statutory reserve	-	-	(2,291)	-	-	2,291	-	-	-
Transfer to contingency reserve	-	-	(13,319)	-	13,319	-	-	-	-
	-	-	(15,610)	-	13,319	2,291	-	-	-
Transactions with owners of the company									
– Dividends to non-controlling interest - ELAC	-	-	-	-	-	-	-	(31,135)	(31,135)
– Dividends to non-controlling interest - ETL	-	-	-	-	-	-	-	(1,600)	(1,600)
- Dividends to non-controlling interest - EIC	-	-	-	-	-	-	-	(365)	(365)
– Transactions with NCI**	-	-	(752)	-	-	-	(752)	(752)	-
– Dividend declared	-	-	(9,228)	-	-	-	(9,228)	-	(9,228)
Total transactions with owners of the Company	-	-	(9,980)	-	-	-	(9,980)	(32,348)	(42,328)
Balance at 31 December 2020	**258,886**	**996**	**265,382**	**(5,669)**	**65,745**	**5,947**	**591,287**	**173,099**	**764,386**

**Transaction with NCI represents the NCI portion of the fair value gains on property and equipment for Enterprise Life Assurance Company Limited which was eliminated on consolidation

The notes on pages 60 to 133 are an integral part of these financial statements

Separate Statement of Changes in Equity
For The Year Ended 31 December 2020
(All amounts are in thousands of Ghana cedis)

	Stated capital	Retained earnings	Share option reserve	Total Equity
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**
Balance at 1 January 2020	258,886	166,207	-	425,093
Total comprehensive income				
Profit for the year		25,093	-	25,093
Total comprehensive income	-	25,093	-	25,093
Transactions with owners of the company				
Dividend declared	-	(9,228)	-	(9,228)
Total Transactions with owners of the company	-	(9,228)	-	(9,228)
Balance at 31 December 2020	**258,886**	**182,072**	**-**	**440,958**

The notes on pages 60 to 133 are an integral part of these financial statements

Consolidated and Separate Statements of Cash Flows

For The Year Ended 31 December 2020

(All amounts are in thousands of Ghana cedis)

	Note	2020	2019	2020	2019
Cash flows from operating activities					
Cash (used in)/generated from operations	37	(43,411)	(47,272)	129,548	127,026
Investment income received		158	17,917	138,362	124,595
Interest paid on lease liabilities	40a(v)	(1,254)	(1,219)	(1,213)	(809)
Interest paid on loans and borrowings	24	-	-	(3,536)	(7,215)
Income tax paid	28	(79)	(4,497)	(16,336)	(14,183)
National fiscal stabilisation levy paid	27	-	-	(9,755)	(5,843)
Net cash (used in)/ generated from operating activities		(44,586)	(35,071)	237,070	223,571
Cash flows from investing activities					
Purchases of equity securities	11	-	-	(152)	(4,137)
Proceeds from sale of equity securities	11	-	-	-	493
Net purchase of unlisted debt securities		(91)	45,681	(208,705)	(97,735)
Acquisition of investment property	8	-	-	(1,466)	(5,931)
Acquisition of property and equipment	6	(828)	(3,322)	(12,464)	(20,754)
Additions to right-of-use assets		-	-	(2,811)	-
Proceeds from sale of property and equipment	6	104	106	1,004	416
Purchase of intangible assets	7	-	-	(3)	-
Dividend received from subsidiaries		54,197	37,800	-	-
Dividend received from equity securities held		28	1	4,594	3,494
Acquisition of shares in subsidiary		(122,483)	-	-	-
Net cash (used in)/ generated from investing activities		(69,073)	80,266	(220,003)	(124,154)
Cash flows from financing activities					
Dividends paid to non-controlling interest	21	-	-	(21,818)	(27,131)
Dividends paid to equity shareholders	45	(9,228)	(7,687)	(9,228)	(7,687)
Repayment of loan principal	24	-	-	(17,630)	(40,760)
Principal lease payments	40a(iii)	(1,216)	(1,332)	(1,696)	(2,143)
Net cash used in financing activities		(10,444)	(9,019)	(50,372)	(77,721)
Net (decrease)/ increase in cash and cash equivalents		(124,103)	36,176	(33,305)	21,696
Cash and cash equivalents at beginning of year	15	163,204	122,901	322,175	291,921
Effect of exchange difference on cash held		2,847	4,127	4,886	8,558
Effects of exchange rate movements on translation of foreign operations		-	-	(5,258)	-
Cash and cash equivalents at end of year	15	**41,948**	**163,204**	**288,498**	**322,175**

The notes on pages 60 to 133 are an integral part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 December 2020
(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 2020 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 2020 comprise the financial statements of the Company.

The Company is listed on the Ghana Stock Exchange.

Change of name

The company changed its name from Enterprise Group Limited to Enterprise Group Plc in line with the requirements of the Companies Act, 2019 (Act 992) which replaced the Companies Code, 1963 (Act 179) assented on 2 August 2019. The new name was duly registered with the Registrar on 31 August 2020.

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, 2019 (Act 992). The financial statements have been prepared under the historical cost convention, except for the following measured at fair value and actuarial valuation;

measured at fair value

- investment properties;
- equity securities held at fair value through profit or loss.

actuarial valuation

- life fund;
- incurred but not reported claims (IBNR).

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

2 BASIS OF PREPARATION *(continued)*

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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 are set out in Note 5.

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. Consolidation ceases when control ceases.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

2 BASIS OF PREPARATION *(continued)*

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.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, depreciation method 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

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.4 Intangible assets *(continued)*

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.

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

3.5.2 Subsequent measurement

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.5 Investment Property *(continued)*

3.5.2 Subsequent measurement (continued)

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.

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 profit or loss. 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 profit or loss 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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets (other than deferred tax assets, inventories, investment property) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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.
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.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the impairment testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of assets in the CGUs on a pro rata basis.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Leases

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.

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 lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred 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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.7 Leases *(continued)*

i. Group acting as the lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally the Group uses its incremental borrowing rate as the discount rate.

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.

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 remeasured 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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.7 Leases *(continued)*

ii. Group acting as the lessor (continued)

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.

The rental income from leases is recognized under "other revenue" in the statement of comprehensive income.

3.8 Financial assets and financial liabilities

3.8.1 Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments. A financial asset (unless is a trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivables without a significant financing component is initial measured at the transaction price.

3.8.2 Classification and subsequent measurement Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

A financial asset is 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 it is not designated 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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.2 Classification and subsequent measurement (continued)

Financial assets (continued)

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

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held for each portfolio because this best reflects the way 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
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

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 asset.

Financial assets that are held for trading or managed and whose performance is evaluated on fair value basis are measured at FVTPL.

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. 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:

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.2 Classification and subsequent measurement (continued)

- Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rates, including variable-rate features;
- prepayment and extension features;
- terms that limit the Groups claim to cash flows from specified assets - e.g. non-recourse asset arrangements; and

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at discount or premium to its contractual par amount, a feature that permits or requires prepayments at an amount that substantially represent 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 at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Equity securities at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and loss and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses
Financial laities are classified as measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.8.3 Derecognition
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 either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- 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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.3 Derecognition (continued)

Financial assets (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.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. 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 differences between the carrying amount extinguished and the consideration paid (including any non-cash asset transferred or liabilities assumed) is recognised in profit or loss.

Interest rate reform (policy applied form 1 January 2020)

If the basis for determining the contractual cash flows of a financial or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by the interest rate benchmark reforms if the following conditions are met:

- the change is necessary as a direct consequence of the reform and;
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to the changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications set out above to the additional changes.

3.8.4 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.

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.5 Fair value measurement

Fair value' is the price that would received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The best evidence of a financial instrument on recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or a liability nor based on valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, the financial instrument is initially measured at fair value , adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability is measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of net exposure to either market risk or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments -e.g. bid-ask adjustments or credit risk adjustments that reflect the measurement on the basis of the relative risk adjustment of each of the individual instrument portfolio.
The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

3.8.6 Impairment

The Group recognises loss allowances for ECL on the following instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- other financial assets measured at amortised cost;

No impairment loss is recognised on equity investments.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.6 Impairment (continued)

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.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after reporting date. Financial instruments for which 12-months ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instruments or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows;

- *financial assets that are not credit-impaired at the reporting date* : as 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);
- *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.

When discounting cash flows, the discount rate used is the original effective interest rate or an approximation thereof.

Restructured financial assets

If the terms of a financial assets are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows;

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from existing assets.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.6 Impairment (continued)

- If *the* expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from existing assets that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). 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 have occurred.

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 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;*
- *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 on financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the assets.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.8 Financial assets and financial liabilities *(continued)*

3.8.6 Impairment (continued)

Write-off

Financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. '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-offs. This assessment is carried out at an individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment loss on financial instruments' in the statement of profit or loss.

Financial assets that are fully 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 Cash and cash equivalents

Cash and cash equivalents' per the statement of cash flow included cash on hand, bank balances held with banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

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.

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).

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 (continued)

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).

Gross non-life insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the reporting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the reporting period for premiums receivable in respect of business written in prior accounting periods.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Non-Life insurance claims and loss adjustment expenses include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

The Group does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

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

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 contracts (continued)

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

Gross benefits and claims for life insurance contracts and for investment contracts include the cost of all claims arising during the year, including: internal and external claims handling costs that are directly related to the processing and settlement of claims; and policyholder bonuses declared.
Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

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

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss. These processes are described in Note 3.8.6.

Gains or losses on buying reinsurance are recognised in the statement of profit or loss immediately at the date of purchase and are not amortised.
Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

3.10.2 Reinsurance contracts held (continued)

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.

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.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

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

Insurance payables are recognised when due and measured on initial recognition at fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss. These processes are described in Note 3.8.6.

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 3.8.3, have been met.

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.10 Insurance contract *(continued)*

3.10.4 Life insurance liability valuation basis and methodology

Policy liabilities for insurance contracts are determined using actuarial valuation principles and are reflected in the statement of financial position as "Life insurance contract liabilities" or "life fund".

Liabilities are valued as the present value of future cash flows discounted at the rate of return assumed on the assets backing the policyholder funds. Future cash flows are projected on a best estimate basis with an allowance for compulsory margins. Best estimate assumptions are required for future: investment returns; expenses; persistency; mortality and other factors that may impact on the financial position of the Group.

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

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

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

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

3.10.5 Deferred commission expense and income

Commission expense and income that vary with and are related to securing insurance contracts and renewing existing contracts are capitalized. The deferred commission expense and income are subsequently amortized over the terms of the policies as premium is earned or incurred.

3.11 Income tax

Income tax expense comprise current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or OCI.

The Group has determined that interest and penalties related to income taxes do not meet the definition of income taxes, and therefore has accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and has recognised the related expenses in 'other expenses'.

3.11.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year end and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also included any tax arising from dividends.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.11 Income tax *(continued)*

3.11.1 Current tax (continued)

Current tax assets and liabilities are offset only if certain criteria are met.

3.11.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- *temporary differences on the initial recognition of assets or liabilities in transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;*
- *temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and its probable that they will not reverse in the foreseeable future; and*
- *temporary differences arising on initial recognition of goodwill.*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined bases on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on business plans for individual subsidiaries within the Group. Deferred tax are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at reporting date, and reflects uncertainty related to income taxes, if there is any.

The measurement of deferred tax reflects the tax consequence that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.12 Share capital

Ordinary shares are classified as equity and presented as stated capital. All shares are issued at no par value. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 Earning per share

The Group presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Group by he weighted - average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

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.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 (continued)

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. Payments for the sale of caskets are received in advance.	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.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.19 Employee benefits *(continued)*

3.19.2 Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as personnel expenses in profit or loss. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

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. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.
The cost of standing timber transferred from biological assets is its fair value less costs to sell at the date of harvest.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues incur expenses, including revenues and expenses relating to transactions with the Group's chief executive officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.
Segment results that are reported to the Group's CEO include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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 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 are set out below. The Group do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
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3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Effective for the financial year commencing 1 January 2021

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Effective for the financial year commencing 1 January 2022

- *Onerous Contracts - Cost of fulfilling a Contract (Amendment to IAS 37)*
- *Annual Improvements to IFRS Standards (2018 – 2020) (Amendment to IFRS 1, IFRS 9, IFRS 16 and IAS 41)*
- *Property, plant and equipment: Proceeds before Intended Use (Amendment to IAS 16)*
- *Reference to Conceptual Framework (Amendment to IFRS 3)*

Effective for the financial year commencing 1 January 2023

- *IFRS 17 Insurance Contracts*
- *IFRS 17 Insurance Contracts (IFRS 17 amendments)*
- *Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)*

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and
- hedge accounting

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

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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)*
Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

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

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition
necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.
Companies will therefore need to distinguish between:
—costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
—costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

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

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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)*

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

IFRS 17 Insurance Contracts (and its related amendments)

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 Group 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 2023. Early adoption is permitted only if the entity applied IFRS 9.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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)*

Classification of liabilities as current or non-current (Amendments to IAS 1) *continued)*
There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are to be applied retrospectively from the effective date.

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

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

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

4.1 Insurance risk *(continued)*

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

(iii) *Motor*

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

(iv) *Engineering*

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

(v) *Marine*

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

4.1.2 *Exposure to non-life insurance risk*

The Group limits its exposure to insurance risk through setting clearly defined underwriting strategy and limits, application of appropriate risk assessment techniques, and centralised management of reinsurance
The Group's underwriting strategy ensures diversification of insurance risk in terms of type and
amount of risk covered, geographical location and type of industry covered. The strategy also aims to develop a sufficiently large population of risks to reduce the variability of the expected outcome. The underwriting strategy is detailed in underwriting authorities which set the limits for underwriters in terms of line size, class of business and industry to enforce appropriate risk selection within the portfolio.
The underwriting mandates are applicable to both internal and external underwriters and partners. Ongoing review and analysis of underwriting information enables the Group to monitor its risks and take timely corrective action.

The ability to adjust premiums allows the Group to mitigate the risk of underwriting losses by addressing adverse loss ratios in terms of different classes of business and different portfolio or

The risk of fraudulent claims is reduced by internal controls embedded in claims-handling processes and specific techniques developed to proactively detect fraudulent claims.

(*i*) *Underwriting and reinsurance operating procedures*

The 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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

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

4.1 Insurance risk *(continued)*

(i) Underwriting and reinsurance operating procedures (continued)

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.

The objectives and responsibilities of the department are approved by the board of directors.

(ii) Re insurance strategy

The Group obtains reinsurance cover to reduce risks from single events or accumulation of risk which could have a significant impact on earnings for the current year or the Group's capital. This cover is placed on the local and international reinsurance market. The Group's insurance risk and return position is tested against a wide range of reinsurance alternatives including viability of proportional and non-proportional alternatives.

(iii) Risk retention parameters

The Group is in the business of assuming that level of risk, which is deemed prudent in relation to the risk/reward and the Group's absolute capacity in terms of shareholders' funds and reserves.
Predetermined criteria are observed at all times other than where specific written permission has been obtained from the board of directors.

(iv) Treaty and Facultative placing process

The treaty-placing process is the responsibility of the underwriting and reinsurance department.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

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

4.1 Insurance risk *(continued*

4.1.3 Sources of uncertainty in the estimation of future claim payments (cont'd)

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.

4.1.4 Limiting exposure to Insurance Risk

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitles the Company to pursue third parties for the payment of some or all cost.

The following table discloses the concentration of insurance liabilities by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from insurance contracts.

Maximum insured loss

Product Type		**2020**	**2019**
		GH¢'000	**GH¢'000**
Motor	Gross	132,325	92,811
	Net	124,418	89,645
Fire	Gross	60,054	52,650
	Net	10,118	9,061
Marine	Gross	11,563	11,580
	Net	1,881	1,849
General Accident	Gross	33,462	25,412
	Net	18,923	15,469
Engineering	Gross	20,527	22,835
	Net	607	559
Aviation	Gross	1,755	1,771
	Net	32	9
Total	**Gross**	**259,686**	**207,059**
	Net	**155,979**	**116,592**

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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 below;

The following table discloses the concentration of insurance liabilities by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the insurance liabilities (gross of reinsurance) arising from insurance contracts.

	2020		2019	
	Amount	**% of total premium**	**Amount**	**% of total premium**
	GH¢'000		**GH¢'000**	
Assured Education Plan	177,910	33.7%	137,832	31.5%
Assured Life Time Needs Plan	120,178	22.8%	102,991	23.5%
Assured Funeral Plan	144,894	27.4%	133,946	30.6%
Assured Family Income Plan	14,504	2.7%	13,915	3.2%
Assured Lady Care	877	0.2%	1,306	0.3%
Group Life Plan	13,992	2.7%	7,580	1.7%
Credit Risk Plan	50,383	9.5%	34,356	7.9%
Micro Ensure Plan	2,528	0.5%	3,185	0.7%
Special Market Group Plan	2,581	0.5%	2,298	0.5%
TOTAL	**527,847**	**100%**	**437,409**	**100%**

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. Estimated inflation is also a significant factor due to the long period typically required to settle these cases.

The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, and industry.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

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

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.

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, the Euro and the Naira. 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 2020

	The Company	The Group			
	USD	USD	GBP	EUR	NGN
	000	000	000	000	000
Assets					
Bank balances	1,373	5,791	156	199	181,566
Due from reinsurers	-	1,489	77	95	-
Investment securities	-	-	-	-	3,118,115
Trade and other receivables					4,006,004
	1,373	7,280	233	294	7,305,685
Liabilities					
Loans and borrowings	-	(4,515)	-	-	-
Due to reinsurers	-	(1,099)	(145)	(20)	-
Lease liabilities	(2,348)	(1,824)	-	-	(30,984)
Other payables	-	-	-	-	(11,250)
Net Exposure	**(975)**	**(158)**	**88**	**274**	**7,263,451**

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 2019

	The Company		The Group	
	USD	USD	GBP	EUR
	000	000	000	000
Assets				
Bank balances	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**

	Average Rate		Year-end rate	
	2020	2019	2020	2019
USD 1	5.8267	5.4300	5.9600	5.7200
GBP 1	7.1816	5.8458	8.1795	6.4685
EUR 1	6.4159	6.8458	7.3904	7.5634
NGN 1	67.6216	-	69.0627	-

The following table shows the effect of a strengthening or weakening of the foreign currencies against the GH¢ on the Company and Group's profit or loss. This sensitivity analysis indicates the potential impact on profit or loss based on foreign currency exposures at 31 December. It does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

Sensitivity analysis – currency risk

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

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
The Company				
31 December 2020				
USD (2% movement)	116	(116)	87	(87)
31 December 2019				
USD (5% movement	(6,432)	6,432	(4,824)	4,824

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
The Group				
31 December 2020				
USD (2% movement)	19	(19)	14	(14)
GBP (2% movement)	(14)	14	(11)	11
EUR (2% movement)	(40)	40	(30)	30
NGN (2% movement)	(2,103)	2,103	(1,577)	1,577
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
NGN (5% movement)	-	-	-	-

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	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fixed-rate instruments				
Investment securities	10,738	634	978,869	699,443
Lease liabilities	(13,993)	(14,135)	(12,913)	(7,219)
	(3,255)	**(13,501)**	**965,956**	**692,224**
Variable-rate instruments	-	-	(26,912)	(43,136)
Loans and borrowings	**-**	**-**	**(26,912)**	**(43,136)**

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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)

	Profit or loss		Equity, net of tax	
	Increase	Decrease	Increase	Decrease
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
The Company				
31 December 2020				
Fixed rate instruments	(33)	33	(24)	24
31 December 2019				
Fixed rate instruments	(68)	68	(51)	51
The Group				
31 December 2020				
Fixed rate instruments	9,660	(9,660)	7,245	(7,245)
31 December 2019				
Fixed rate instruments	3,461	(3,461)	2,596	(2,596)
Variable-rate instruments	(216)	216	(162)	162

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 2020 the Group and Company had total listed equity security amounting to GH¢ 76 million and GH¢ 1.8 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¢ 285,000 and GH¢ 6,750 after tax respectively (2019: GH¢ 355,100 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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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)

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The Group does not have a concentration of credit risk in respect of reinsurance as it deals with variety of reinsurers.

The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on trade and other 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 Company and Group's maximum exposure to credit risk at year end.

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Investment securities	10,741	634	978,872	699,446
Bank balances	31,925	163,185	204,356	302,372
Amount due from related parties	139,977	116,694	-	-
Due from reinsurers	-	-	21,142	16,497
**Trade and other receivables	-	2,410	71,250	13,891
	182,643	**282,923**	**1,275,620**	**1,032,206**

**This amount excludes statutory receivables and deferred reinsurance expense
None of the Company's financial assets are neither past due nor impaired at 31 December 2020 and 31 December 2019. The Company does not hold any collateral security.

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 2020 and 31 December 2019. The Group does not hold any collateral security.

Below is the analysis of the Group's impairment on financial assets for 2020 and 2019.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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)

2020	Reinsurance receivable	Due from tenants	Matured investment receivable	Total
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Impairment as at January 1	1,177	390	4,000	5,567
(Released)/charge for year	-	(330)	6,000	5,670
Write-off	(172)	-	-	(172)
Balance as at December 31	**1,005**	**60**	**10,000**	**11,065**

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

reinsurance receivable
Write-off of reinsurance receivables represents amount management has assessed as not collectible.

matured investment receivable
Increase in the impairment balance is as a result of changes in the expected cash flows used in determining the recoverable amount as at 31 December 2020.

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.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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)

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**	**One to Five years**	**Above Five years**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
31 December 2020					
Trade and other payables	9,403	9,403	-	-	9,403
Due to related parties	21,933	21,933	-	-	21,933
Lease liabilities	13,993	2,545	12,437	3,759	18,741
	45,329	**33,881**	**12,437**	**3,759**	**50,077**
31 December 2019					
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**

	Contractual cash flows (undiscounted)				
The Group	**Carrying amount**	**Up to One year**	**One to Five years**	**Above Five years**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
31 December 2020					
Loans and borrowings	26,912	21,898	8,540	-	30,438
**Trade and other payables	60,660	60,660	-	-	60,660
Due to re-insurers	14,581	14,581	-	-	14,581
Due to related parties	47,725	47,725	-	-	47,725
Lease liabilities	12,913	1,973	10,147	5,705	17,825
	162,791	**146,837**	**18,687**	**5,705**	**171,229**
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**

**This amount excludes statutory deductions

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

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

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 Group is subject to insurance solvency regulations in all territories in which it issues insurance, and where it has complied with all the local regulations. The Group has embedded in its framework the necessary monitoring to ensure continuous and full compliance with such regulations.

The Insurance Act 2006 (Act 724) requires each insurance company to hold the minimum level of paid up capital of GH¢ 15million and to maintain a solvency margin of 150%. Capital adequacy and solvency margin are monitored regularly by management employing techniques based on the guidelines developed by the National Insurance Commission for supervisory purposes. The required information is filed with the National Insurance Commission on quarterly basis.

The paid up capital and capital adequacy ratio of the Life insurance and Non-life insurance companies based in Ghana was GH¢ 50 million and 499%, and GH¢ 40.9 million and GH¢ 408% respectively as at the year end which was above the minimum requirement. The Group generally complied with all externally imposed capital requirements.

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 as at 31 December 2020. These figures are an aggregate number, being the sum of the statutory capital.

	Nature of activity	Regulatory capital held		Minimum regulatory capital requirement	
Entity					
Enterprise Insurance Company Limited	General Insurance	GHS	40.9 million	GHS	15 million
Enterprise Life Assurance Company Limited	Life Insurance	GHS	50 million	GHS	15 million
Enterprise Life Assurance Company (Gambia)	Life Insurance	GMD	20 million	GMD	20 million
Enterprise Trustees Limited	Pension	GHS	1 million	GHS	1 million
Enterprise Life Assurance Company (Nigeria) Limited	Life Insurance	NGN	8 billion	NGN	8 billion

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 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.

The Company 31 December 2020	Amortised cost	FVTPL	Total	Level 1	Level 2
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial assets measured at fair value					
Investment securities	-	1,796	1,796	1,796	-
	-	**1,796**	**1,796**	**1,796**	**-**
Financial assets not measured at fair value					
Investment securities	10,741	-	10,741	-	-
Due from related parties	139,977	-	139,977	-	-
Cash and bank balances	31,944	-	31,944	-	-
	182,662	**-**	**182,662**	**-**	**-**
Financial liabilities not measured at fair value					
Trade and other payables	9,403	-	9,403	-	-
Due to related parties	21,933	-	21,933	-	-
Lease liability	13,993	-	13,993	-	-
	45,329	**-**	**45,329**	**-**	**-**

31 December 2019	Amortised cost	FVTPL	Total	Level 1	Level 2
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Financial assets measured at fair value					
Investment securities	-	2,039	2,039	2,039	-
	-	**2,039**	**2,039**	**2,039**	**-**
Financial assets not measured at fair value					
Investment securities	637	-	637	-	-
Trade and other receivables	2,410	-	2,410	-	-
Due from related parties	116,694	-	116,694	-	-
Cash and bank balances	163,204	-	163,204	-	-
	282,945	**-**	**282,945**	**-**	**-**
Financial liabilities not measured at fair value					
Trade and other payables	6,274	-	6,274	-	-
Due to related parties	21,933	-	21,933	-	-
Lease liability	14,135	-	14,135	-	-
	42,342	**-**	**42,342**	**-**	**-**

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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 31 December 2020	**Amortised cost**	**FVTPL**	**Total**	**Level 1**	**Level 2**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets measured at fair value					
Investment securities	-	76,111	76,111	76,111	-
	-	**76,111**	**76,111**	**76,111**	**-**
Financial assets not measured at fair value					
Investment securities	978,872	-	978,872	-	621,381
Trade and other receivables	71,250	-	71,250	-	-
Due from re-insurers	21,142	-	21,142	-	-
Cash and bank balances	204,407	-	204,407	-	-
	1,275,671	**-**	**1,275,671**	**-**	**621,381**
Financial liabilities not measured at fair value					
Loans and borrowings	26,912	-	26,912	-	-
Trade and other payables	60,660	-	60,660	-	-
Due to re-insurers	14,581	-	14,581	-	-
Due to related parties	47,725	-	47,725	-	-
Lease liability	12,913	-	12,913	-	-
	162,791	**-**	**162,791**	**-**	**-**

31 December 2019	**Amortised cost**	**FVTPL**	**Total**	**Level 1**	**Level 2**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Financial assets measured at fair value					
Investment securities	-	94,707	94,707	94,707	-
	-	**94,707**	**94,707**	**94,707**	**-**
Financial assets not measured at fair value					
Investment securities	699,446	-	699,446	-	468,784
Trade and other receivables	13,891	-	13,891	-	-
Due from re-insurers	16,497	-	16,497	-	-
Cash and bank balances	302,604	-	302,604	-	-
	1,032,438	**-**	**1,032,438**	**-**	**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 liability	7,219	-	7,219	-	-
	171,366	**-**	**171,366**	**-**	**-**

Valuation techniques used is the discounted cash flow model. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates in estimating discount rates and annual coupon payments to be received.

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(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 2020 is taken as an appropriate expense base. Provision for future renewal expenses starts at a level consistent with the budgeted experience for the 2020 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.

	Change in variable	Impact on profit and loss	
Variable		**2020 GH¢'000**	**2019 GH¢'000**
Worsening in mortality	+1% p.a	192	153
Worsening of expense inflation	+1% p.a	4,580	3,110
Worsening of lapse rate	+20%	6,392	999

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

5.1 Assumptions and estimates of life insurance contract holder liabilities (life fund) *(continued)*

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

Claims on insurance contracts are payable on a claims-occurrence basis. The company is liable for all insured events that occurred during the term of the contract. Liability claims are settled over a period of time, and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopt. The compensation paid on these contracts is the monetary awards granted for damages and bodily injury suffered by the insured.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. General insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period
In calculating the estimated cost of unpaid claims (both reported and not), the company estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims), and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

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 company, 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. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree.

In estimating the liability for the cost of reported claims not yet paid, the company 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 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

5.2 The ultimate liability arising from claims made under non-life insurance contracts *(continued)*

Where possible, the company adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and extent of development of each accident year.

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.

5.5 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.

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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
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5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

5.5.1 Valuation models *(continued)*

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

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

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

6 PROPERTY AND EQUIPMENT

Reconciliation of carrying amount

The Company	**Motor vehicles**	**Equipment , fittings and furniture**	**Right-of-use Asset (Building)**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost				
Balance at 1 January 2019	2,506	5,667	-	8,173
Recognition of Right-of-use asset on initial application of IFRS 16	-	-	13,495	13,495
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**
Balance at 1 January 2020	4,869	6,274	13,495	24,638
Additions	603	225	515	1,343
Disposals	(498)	-	-	(498)
Balance at 31 December 2020	**4,974**	**6,499**	**14,010**	**25,483**
Accumulated depreciation				
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
Balance at 1 January 2020	1,678	1,899	1,452	5,029
Depreciation	1,163	1,033	1,509	3,705
Disposals	(498)	-	-	(498)
Balance at 31 December 2020	2,343	2,932	2,961	8,236
Carrying amounts				
Balance at 31 December 2019	3,191	4,375	12,043	19,609
Balance at 31 December 2020	2,631	3,567	11,049	17,247

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

6 PROPERTY AND EQUIPMENT *(continued)*

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**	**GH¢'000**	**GH¢'000**
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	-	2,388	4,021	-	(6,409)	-
Transfers from investment	7,433	-	-	-	-	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
Balance at 1 January 2020	33,549	21,421	32,379	12,709	8,569	108,627
Additions	357	3,678	2,973	9,836	5,456	22,300
Transfers	-	666	182	-	(848)	-
Transfer to investment property	-	-	-	-	(7,675)	(7,675)
Disposals & write offs	-	(3,117)	(68)	-	(39)	(3,224)
Translation difference	-	(1)	1	(32)	(113)	(145)
Balance at 31 December 2020	33,906	22,647	35,467	22,513	5,350	119,883
Accumulated depreciation						
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
Balance at 1 January 2020	4,254	11,309	13,515	3,487	-	32,565
Depreciation	2,060	4,613	4,769	3,592	-	15,034
Disposals & write offs	-	(3,031)	(67)	0	-	(3,098)
Translation difference	-	(1)	5	(3)	-	1
Balance at 31 December 2020	6,314	12,890	18,222	7,076	-	44,502
Carrying amounts						
Balance at 31 December 2019	**29,295**	**10,112**	**18,864**	**9,222**	**8,569**	**76,062**
Balance at 31 December 2020	**27,592**	**9,757**	**17,245**	**15,437**	**5,350**	**75,381**

There was no indication of impairment of property and equipment held by the Group and the Company at 31 December 2020 (2019: Nil). None of the property and equipment of the Group and the Company had been pledged as security for liabilities and there were no restrictions on the title of any Group's and the Company'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 2020 *(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	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost	580	352	3,073	1,176
Less: Accumulated depreciation	(580)	(352)	(2,984)	(1,009)
Net book value	-	-	89	167
Less: Proceeds on disposal	(104)	(106)	(1,004)	(416)
Profit on disposal	(104)	(106)	(915)	(249)

7 INTANGIBLE ASSETS

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Cost				
Balance at 1 January	-	-	3,321	3,346
Additions	-	-	3	-
Write-off	-	-	-	(25)
Balance at 31 December	-	-	3,324	3,321
Accumulated amortisation and impairment losses				
Balance at 1 January	-	-	2,219	1,302
Amortisation	-	-	993	941
Write-off	-	-	-	(25)
Translation difference	-	-	-	1
Balance at 31 December	-	-	3,212	2,219
Carrying amounts At 31 December	**-**	**-**	**112**	**1,102**

8 INVESTMENT PROPERTY

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	-	-	270,493	246,525
Subsequent expenditure	-	-	1,466	5,931
Transfer from property and equipment	-	-	7,675	-
Transfer of advance payments	-	-	-	6,710
Change in fair value	-	-	(2,441)	(19,762)
Exchange difference on valuation	-	-	11,326	35,870
Investment property write off	-	-	-	(4,781)
Balance at 31 December	**-**	**-**	**288,519**	**270,493**

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

8 INVESTMENT PROPERTIES *(continued)*

Reconciliation of carrying amount *(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 3 of the fair value hierarchy.

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.

9 INVESTMENT IN SUBSIDIARIES

During the year Enterprise Group Plc incorporated a new subsidiary in Nigeria known as Enterprise Life Assurance Company (Nigeria) Limited. The Company was set up to underwrite life insurance policies. It is 100% owned by Enterprise Group Plc.

	The Company	
	2020	**2019**
	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
Enterprise Life Assurance Company (Nigeria) Limited	122,483	-
	286,883	**164,400**

Name of subsidiary	Country of incorporation / and principal place of business	Percentage interest held by the Company	
		2020	**2019**
Enterprise Insurance Company Limited	Ghana	75%	75%
Enterprise Life Assurance Company Limited	Ghana	60%	60%
Enterprise Trustees Limited	Ghana	80%	80%
Enterprise Properties Limited	Ghana	70%	70%
Enterprise Life Assurance Company (Nigeria) Limited	Nigeria	100%	100%

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

9 INVESTMENT IN SUBSIDIARIES *(continued)*

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 2020 (2019: Nil).

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 non-life insurance contracts. See Note 16 for details.

10 NON-CONTROLLING INTEREST

Total comprehensive income attributable to non-controlling interest

	2020	2019
	GH¢'000	GH¢'000
Profit for the year	65,385	37,591
Foreign currency translation reserve	(167)	86
	65,218	37,677

The total non-controlling interest for the year ended 31 December 2020 is GH¢ 173.1million (2019: GH¢ 140.2million). This comprise; GH¢ 109.2million (2019: GH¢84.4million) for Enterprise Life Assurance Company Limited, 31.5million (2019: GH¢26.3million) for Enterprise Insurance Company Limited, GH¢ 6.4million (2019: GH¢4.9million) for Enterprise Trustees Limited and GH¢ 25.9million (2019: 24.6million) for Enterprise Properties Limited.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

10 NON-CONTROLLING INTEREST *(continued)*

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 26

	Enterprise Insurance Company Limited		Enterprise Life Assurance Company Limited		Enterprise Properties Limited	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Summarised statement of financial position						
Current						
Assets	49,638	53,244	151,137	110,511	10,985	262,317
Liabilities	(141,729)	(109,585)	(51,258)	(56,228)	(160,943)	(144,018)
Total current net assets	(92,091)	(56,341)	99,879	54,283	(149,958)	118,299
Non-Current						
Assets	235,832	178,188	870,451	725,892	268,656	9,311
Liabilities	(17,518)	(16,580)	(697,159)	(569,252)	(32,349)	(45,520)
Total non-current net assets	218,314	161,608	173,292	156,640	236,307	(36,209)
Net assets	**126,223**	**105,267**	**273,171**	**210,923**	**86,349**	**82,090**
Summarised statement of						
comprehensive income						
Net insurance premium revenue	139,574	111,847	511,812	424,023	-	-
Rental Income	-	-	1,356	1,475	13,940	11,125
Profit before income tax and national fiscal stabilisation levy	32,373	30,242	146,372	86,265	7,311	(3,451)
Profit after income tax and national fiscal stabilisation levy	22,415	20,946	138,622	75,277	4,259	1,079
Other comprehensive income	-	-	1,463	5,393	-	-
Total comprehensive income	22,415	20,946	140,085	80,670	4,259	1,079
Total comprehensive income						
allocated to non-controlling interests	5,604	5,237	56,034	32,268	1,278	324
Dividend to non-controlling interests	365	-	31,135	19,200	-	-
Summarised cash flows **Cash flows from operating**						
Cash flows from operations	35,387	8,869	163,019	108,763	22,513	51,049
Interest paid on lease liabilities	(1,695)	(1,513)	(1,727)	(1,348)	-	-
Interest paid on loans	-	-	-	-	(3,536)	(7,215)
Investment income received	23,624	20,201	109,766	83,959	53	218
Income tax paid	(10,009)	(5,594)	(514)	(314)	-	-
National fiscal stabilisation levy paid	(1,972)	(1,008)	(7,784)	(4,835)	-	-

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(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	
	2020	*2019*	*2020*	*2019*	*2020*	*2019*
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Summarised cash flows						
Net cash generated from operating activities	45,335	20,955	262,760	186,225	19,030	44,052
Net cash used in investing activities	(50,363)	(14,734)	(151,671)	(138,765)	(1,298)	(6,199)
Net cash used in financing activities	(3,083)	(1,246)	(69,447)	(65,354)	(17,630)	(40,760)
Net (decrease)/increase in cash and cash equivalents	(8,111)	4,975	41,642	(17,894)	102	(2,907)
Effect of exchange difference on cash held	1,317	2,068	631	1,744	91	619
Cash and cash equivalents at 1 January	41,053	34,010	107,836	123,986	6,653	8,941
Cash and cash equivalents at 31 December	**34,259**	**41,053**	**150,109**	**107,836**	**6,846**	**6,653**

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

11 INVESTMENT SECURITIES

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Equity securities:				
- Listed equity securities	1,796	2,039	76,111	94,707
- Unlisted equity securities	3	3	3	3
Total equity securities	1,799	2,042	76,114	94,710
Unlisted debt securities	10,738	634	978,869	699,443
	12,537	**2,676**	**1,054,983**	**794,153**

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

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Equity securities				
Balance at 1 January	2,042	2,037	94,710	105,644
Purchases of equity securities	-	-	152	4,137
Sale of equity securities	-	-	-	(493)
Net (loss)/gains on equity securities	(243)	5	(18,748)	(14,578)
Balance at 31 December	**1,799**	**2,042**	**76,114**	**94,710**
Unlisted debt securities				
Fixed deposits	-	-	65,993	2,117
Treasury bills	10,738	135,854	235,676	160,022
Bonds	-	-	667,200	521,304
Matured investment receivable	-	-	20,000	20,000
	10,738	135,854	988,869	703,443
Impairment of matured investment receivable	-	-	(10,000)	(4,000)
	10,738	**135,854**	**978,869**	**699,443**

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

12 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Trade receivables	-	-	7,452	5114
Staff loans	-	-	3	3
Deferred reinsurance cost	-	-	891	944
Other receivables	-	2,410	8,545	7,830
Statutory deposits	-	-	57,918	-
	-	**2,410**	**74,809**	**13,891**

The maximum amount of staff loans during the year did not exceed GH¢ 3,000 (2019: GH¢3,000).
Statutory deposits relates to funds Enterprise Life Assurance Company Nigeria holds with the Central Bank of Nigeria. See note 16 for details

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

13 DEFERRED COMMISSION EXPENSE

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	10,102	8,558
Commission expense deferred	3,730	1,544
Balance at 31 December	**13,832**	**10,102**

14 REINSURANCE ASSETS AND LIABILITIES

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Due from re-insurers	22,147	17,674
Impairment	(1,005)	(1,177)
	21,142	**16,497**

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

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Due to re-insurers	**14,581**	**13,195**

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

15 CASH AND CASH EQUIVALENTS

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash	19	19	51	232
Bank balances	31,925	163,185	204,356	302,372
Cash and cash equivalents in the statement of financial position	31,944	163,204	204,407	302,604
Treasury bills with original maturities less than 3 months	10,004	-	84,091	19,571
Cash and cash equivalents in the statement of flows cash	41,948	163,204	288,498	322,175

16 STATUTORY DEPOSITS

In accordance with section 73 of the Insurance Act 2006, (Act 724), Enterprise Life Assurance Company Limited and Enterprise Insurance Company Limited are expected to have 10% of their minimum capital as statutory deposits which is not available for use in day to day operations of the business.

In accordance with section 7 of the Insurance Act 2005, (Act 724) of Gambia, Enterprise Life Assurance Company Limited (Gambia) is expected to have GMD 300,000 as statutory deposits for each product the company has. The company has three products. This statutory deposit is not available for use in day to day

In accordance with section 9 of the Insurance Act 2003, (Act 724) of Nigeria, Enterprise Life Assurance Company (Nigeria) Limited is expected to have 50% of their minimum capital as statutory deposits which is not available for use in day to day operations of the business.

The statutory deposits held as at 31 December for the various insurance entities is as below;

		2020	2019
	Currency	000	000
Enterprise Life Assurance Company Limited	GH¢	2,812	2,460
Enterprise Insurance Company Limited	GH¢	1,723	2,233
Enterprise Life Assurance Company Limited (Gambia)	GMD	858	896
Enterprise Life Assurance Company (Nigeria) Limited	NAIRA	4,000,000	-

17 CAPITAL AND RESERVES

17(a) Stated capital

The authorised shares of the Company are 1,000,000,000 (2019: 200,000,000) ordinary shares of no-par value.
The issued ordinary shares at 31 December 2020 and 31 December 2019 is as follows:

	No of shares		Proceeds	
	2020	2019	2020	2019
	000	000	GH¢'000	GH¢'000
Balance at 1 January	170,893	170,893	258,886	258,886
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.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

17 CAPITAL AND RESERVES *(continued)*

17(a) Stated capital *(continued)*

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

17(b) Deposits for shares

Deposit for shares represents shares paid by Black Star Holding yet to be registered as at 31 December 2020.

17(c) 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).

17(d) 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 and Naira to the Group's presentation currency. Movements in these reserves are shown in the statements of changes in equity.

17(e) Contingency reserves

Contingency reserves relates to funds sets aside on an annual basis as required by the respective Insurance Acts of the companies operating in the insurance industries.

Movements in the contingency reserve are shown in the statement of changes in equity on pages 56 and 57 for the Group.

17(f) Statutory reserves

Statutory reserves is in respect to Enterprise Trustee Limited as prescribed by section 15 of the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990). Transfers to and from this reserve are calculated as 15% of profit after tax, and are treated as appropriations of retained earnings.
Movements in the statutory reserves are shown in the statement of changes in equity on pages 15 for the Group

18 LIFE FUND - INSURANCE CONTRACT LIABILITY

	The Group	
	2020	**2019**
	GH¢'000	**GH¢'000**
Balance at 1 January	569,252	492,556
Charge to income statement	108,565	75,731
Translation difference	99	965
Balance at 31 December	**677,916**	**569,252**

An independent actuary carried out the valuation of the Life Fund as at 31 December 2020 and 31 December 2019.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

19 UNEARNED PREMIUM

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	40,000	35,255
Charge to income statement	16,405	4,745
Balance at 31 December	**56,405**	**40,000**

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

20 OUTSTANDING CLAIMS
(a) Outstanding claims

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	36,014	33,612
Claims incurred	121,380	102,206
Claims paid	(113,690)	(97,121)
Movement in outstanding claims	292	(4,070)
Change in incurred but not reported provision	2,049	1,387
	46,045	**36,014**

This is analysed as follows

Gross outstanding claims	26,915	20,869
Reinsurance recoveries	(6,252)	(8,188)
Incurred but not reported provision Note 20 (b)	25,382	23,333
Balance as at 31 December	**46,045**	**36,014**

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	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	23,333	21,946
Change in incurred but not reported provision	2,049	1,387
Balance as at 31 December	25,382	23,333

An independent actuary carried out the valuation of the incurred but not reported provision as at 31 December 2020 and 31 December 2019.

21 TRADE AND OTHER PAYABLES

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Accrued expenses and other payables	9,403	6,274	71,340	65,382
Dividend payable	-	-	**11,282**	-
	9,403	**6,274**	**82,622**	**65,382**

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 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

21 TRADE AND OTHER PAYABLES *(continued)*

Dividend payable to Black Star Holdings

	The Group	
	2020	**2019**
	GH¢'000	**GH¢'000**
At 1 January	-	7,731
Amount declared during the year	33,100	19,400
Amount paid	(21,818)	(27,131)
At 31 December	**11,282**	**-**

22 DEFERRED COMMISSION INCOME

	The Group	
	2020	**2019**
	GH¢'000	**GH¢'000**
Balance at 1 January	7,700	6,224
Commission income released/(deferred)	(128)	1,476
Balance as at 31 December	7,572	7,700

23 DEFERRED TAX

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Deferred tax assets	-	(733)	(9,011)	(11,207)
Deferred tax liabilities	-	-	1,766	-

a) Movement in deferred tax

The Company

	At 1 January	Charged/ (credit) to profit or loss	At 31 December
Year ended 31 December 2020			
Deferred tax assets arising from:	**GH¢'000**	**GH¢'000**	**GH¢'000**
Accelerated depreciation	184	(184)	-
Other deductible temporary difference	(917)	917	-
	(733)	733	-

Year ended 31 December 2019

Deferred tax assets arising from:

Accelerated depreciation	168	16	184
Other deductible temporary difference	(746)	(171)	(917)
	(578)	(155)	(733)

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

23 DEFERRED TAX *(continued)*

a) Movement in deferred tax

The Group	**At 1 January**	**Charged/ (credit) to profit or loss**	**At 31 December**
Year ended 31 December 2020	**GH¢'000**	**GH¢'000**	**GH¢'000**
Deferred tax (assets)/liabilities arising from:			
Accelerated depreciation	279	(109)	170
Tax losses	(3,503)	(11,536)	(15,039)
Other deductible temporary difference	(7,983)	15,607	7,624
	(11,207)	**3,962**	**(7,245)**
Year ended 31 December 2019			
Deferred tax assets arising from:			
Accelerated depreciation	2,151	(1,872)	279
Tax losses	(18,905)	15,402	(3,503)
Other deductible temporary difference	3,854	(11,837)	(7,983)
	(12,900)	**1,693**	**(11,207)**

b) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group and Company can use the benefits therefrom.

	The Company		**The Group**			
	2020		**2020**		**2019**	
	Gross amount GH¢'000	**Tax effect GH¢'000**	**Gross amount GH¢'000**	**Tax effect GH¢'000**	**Gross amount GH¢'000**	**Tax effect GH¢'000**
Deductible temporary differences	6,264	1,566	7,932	1,983	518	130
Tax losses	26,118	6,530	191,407	47,851	109,365	27,341
	32,382	**8,096**	**199,339**	**49,834**	**109,883**	**27,471**

c) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows;

	The Company		**The Group**			
	2020		**2020**		**2019**	
	2020 GH¢'000	**Expiry date GH¢'000**	**2020 GH¢'000**	**Expiry date GH¢'000**	**2019 GH¢'000**	**Expiry date GH¢'000**
Expire	26,118	2021-2023	191,407	2021-2023	109,365	2020-2022

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

24 LOANS AND BORROWINGS

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Current portion	92	236
Non-current portion	26,820	42,900
	26,912	**43,136**

Movement in loans and borrowings is as follows;

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Opening balance	43,136	75,154
Interest expense	3,392	6,997
Interest paid	(3,536)	(7,215)
Principal repayments	(17,630)	(40,760)
Exchange loss	1,550	8,960
	26,912	**43,136**

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 the Investment Property with a carrying amount of GH¢ 181 million . Seventh Avenue Properties Limited and Enterprise Group Plc are the first and second guarantors, respectively.

25 INVENTORIES

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Trading stocks	416	371
Consumables	35	45
	451	**416**

Trading stocks relate to caskets and other funeral ornaments. Consumables relate to materials used to prepare units.

During 2020, inventories of GH¢ 994,000 (2019: GH¢ 800,000) were recognised as an expense during the period and included in 'operating expenses'.

26 RELATED PARTIES

The parent and ultimate parent company of Enterprise Group Plc (EGPLC) is Grace Strategic Ventures Limited and Structured Capital Limited respectively. The parent and ultimate parent are both 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 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

26 RELATED PARTIES *(continued)*

The following transactions were carried out with related parties:

The Company

Rental payments	2020 GH¢'000	2019 GH¢'000
- Enterprise Properties Limited	962	717
- Seventh Avenue Properties Limited	2,357	1,784

Shared services cost:	2020 GH¢'000	2019 GH¢'000
- Enterprise Insurance Company Limited	3,659	3,160
- Enterprise Life Assurance Company Limited	6,814	5,679
- Enterprise Properties Limited	389	196
- Enterprise Trustees Limited	1,579	1,393
- Enterprise Funeral Services Ghana Limited	307	244

Payments of expenses on behalf of:	2020 GH¢'000	2019 GH¢'000
- Enterprise Properties Limited	15,149	31,950
- Enterprise Life Assurance Company (Nigeria) Limited	2,463	-

Dividend	2020 GH¢'000	2019 GH¢'000
- Enterprise Life Assurance Company Limited	46,703	28,800
- Enterprise Trustees Limited	6,400	800
- Enterprise Insurance Company Limited	1,095	-

Capital injection	2020 GH¢'000	2019 GH¢'000
- Enterprise Insurance Company (Nigeria) Limited	122,483	-

Working capital injection	2020 GH¢'000	2019 GH¢'000
- Enterprise Insurance Company (Nigeria) Limited	5,799	-

The Group

Management fees	2020 GH¢'000	2019 GH¢'000
- Databank	3,320	2,713

Dividend	2020 GH¢'000	2019 GH¢'000
- Enterprise Life Assurance Company Limited to Black Star Holdings Limited	31,135	19,200
- Enterprise Trustees Limited to Black Star Holdings Limited	1,600	200
- Enterprise Insurance Company Limited to Black Star Holdings Limited	365	-

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

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

26 RELATED PARTIES *(continued)*

Amounts due to related parties

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Black Star Holdings Limited	21,933	21,933	46,739	41,456
Databank Financial Services Limited	-	-	986	978
	21,933	**21,933**	**47,725**	**42,434**

Dividend payable to the non-controlling interest is disclosed in Note 21.

Amounts due from related parties

	The Company	
	2020	2019
	GH¢'000	GH¢'000
Enterprise Properties Limited	131,279	116,694
Enterprise Insurance Company (Nigeria) Limited	8,698	-
	139,977	**116,694**

The amounts due from and due to related parties are due within twelve months . The amount payable bear no interest. The amount due from related parties was not impaired at 31 December 2020 and 31 December 2019.
The amount due to and due from related parties are to be received or settled in cash

	The Company	
Lease liabilities	2020	2019
	GH¢'000	GH¢'000
Enterprise Properties Limited	3,716	3,425
Seventh Avenue Properties Limited	10,278	10,710
	13,994	**14,135**

The lease liability for the company emanates solely from non-cancellable lease arrangements with Enterprise Properties Limited and Seventh Avenue Properties Limited for three (3) properties. The unpaid lease term as at 31 December was 8 years. Lease payments are to be made bi-annually per the lease agreements.

Off balance sheet transactions

Enterprise Properties 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 ("Advantage Place"). Seventh Avenue Properties Limited and Enterprise Group Plc are the first and second guarantors, respectively.

Key management personnel

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Salaries and other employment benefits	12,275	11,109	28,456	23,953
Employer's pension fund contribution	1,253	1,085	3,432	2,938
	13,528	**12,194**	**31,888**	**26,891**

Directors' emoluments are disclosed in Note 33.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

27 NATIONAL FISCAL STABILIZATION LEVY

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Balance at 1 January	881	651
Charged to profit or loss	8,914	6,073
Payments during the year	(9,755)	(5,843)
Balance at 31 December	**40**	**881**

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.

28 INCOME TAX

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Current tax expense				
Current year	-	79	15,909	10,799
	-	79	15,909	10,799
Deferred tax expense				
Origination and reversal of deductible temporary	733	(155)	2,400	1,693
Recognition of previously unrecognized tax losses	-	-	(74)	-
De-recognition of previously recognized tax losses	-	-	1,636	-
	733	**(76)**	**19,871**	**12,492**

Current tax assets and liabilities
The Company

	At 1 January	Charged to profit or loss	Payments	At 31 December
Year ended 31 December 2020	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Year of assessment				-
up to 2017	2,818	-	-	2,818
2018	(151)	-	-	(151)
2019	79	-	(79)	-
2020	-	-	-	-
	2,746	**-**	**(79)**	**2,667**
Year ended 31 December 2019				
Year of assessment				-
up to 2017	2,818	-	-	2,818
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 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

28 INCOME TAX *(continued)*

The Group

	At 1 January	Charged to profit or loss	Payments	At 31 December
Year ended 31 December 2020	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Year of assessment				-
up to 2017	2,464	-	-	2,464
2018	4,787	-	-	4,787
2019	(3,339)	-	(1,320)	(4,659)
2020	-	15,909	(15,016)	893
Translation difference	30	-	-	(19)
	3,942	**15,909**	**(16,336)**	**3,466**

Year ended 31 December 2019

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	
	2020	**2019**
	GH¢'000	**GH¢'000**
Current tax assets	(967)	(766)
Current tax liabilities	4,460	4,708
	3,493	**3,942**

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

28 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	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit before income tax	**25,826**	**28,659**	**175,514**	**135,790**
Tax rate of 25% (2020: 25%)	6,457	7,165	43,879	33,948
Adjusted for:				
Tax-exempt income	(14,476)	(8,325)	(134,885)	(115,169)
Effect of tax rate in foreign jurisdiction	-	-	58	10
Non-deductible expenses	1,490	1,084	85,575	84,405
Derecognition of previously recognised deductible temporary differences	733	-	2,551	8,994
Tax on dividend	-	-	397	304
Tax losses utilised	-	-	(448)	-
Recognition of previously unrecognised tax losses	-	-	(74)	-
Derecognition of previously recognised tax losses	-	-	1,636	-
Tax losses for which deferred tax was not recognised	6,529	-	21,182	-
	733	**(76)**	**19,871**	**12,492**
Effective tax rate	2.84%	(0.27%)	11.32%	9.20%

29 INVESTMENT INCOME

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Fair value through profit or loss:				
- *Dividend income*	28	12	4,991	3,809
- Net fair value gain/(loss) in equity securities	(244)	5	(18,748)	(14,578)
Dividend from subsidiaries	54,197	29,600	-	-
Interest on unlisted debt securities	104	14,816	136,680	120,003
Bank interest	64	141	13,573	5,164
	54,149	**44,574**	**136,496**	**114,398**

30 OTHER REVENUE

	The Group	
	2020	**2019**
	GH¢'000	**GH¢'000**
Fee income from pension services	34,105	26,131
Funeral services income	8,626	6,345
Rental income on investment property	5,293	3,062
	48,024	**35,538**

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

31 OTHER INCOME

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Exchange gains	-	4,127	1,978	8,074
Profit on disposal of property and equipment (Note 6)	104	106	915	249
Sundry income	-	-	3,782	6,349
	104	**4,233**	**6,675**	**14,672**

31 OTHER INCOME

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Non-life insurance		
Gross claims incurred	121,380	102,206
Reinsurance recoveries	(54,245)	(43,708)
Incurred but not reported provision	2,049	1,387
Life insurance	69,184	59,885
Policy surrenders, terminations and withdrawals	2,881	1,815
Funeral	43,902	32,997
Death claims	131,108	138,999
Individual life	177,891	173,811
Group benefits	18,990	15,919
	196,881	189,730
Total insurance benefits and claims	**266,065**	**249,615**

33 OPERATING EXPENSES

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Directors' emoluments	6,351	7,444	10,582	12,068
Auditor's remuneration	109	99	826	754
Depreciation and amortisation	3,510	3,143	15,635	13,329
Staff cost	16,563	9,925	89,440	67,978
Other operating expenses	11,846	6,299	74,363	69,669
Shared service cost charged to subsidiaries	(11,765)	(9,953)	-	-
	26,614	**16,957**	**190,846**	**163,798**
Staff cost include:				
Salaries and other short-term employment benefit	14,191	8,295	77,000	58,224
Employer's pension fund contribution	1,044	923	8,293	6,713
Other-long term employment benefits	1,328	707	4,147	3,041
	16,563	**9,925**	**89,440**	**67,978**

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 2020 and 2019 for the Company.

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

33 OPERATING EXPENSES *(continued)*

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

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Staff numbers	30	29	424	461

34 NET INSURANCE PREMIUM

The Group

	2020			2019		
	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	132,325	(7,907)	124,418	92,811	(3,166)	89,645
Fire	60,054	(49,936)	10,118	52,650	(43,589)	9,061
Marine	11,563	(9,682)	1,881	11,580	(9,731)	1,849
General Accident	33,462	(14,539)	18,923	25,412	(9,943)	15,469
Engineering	20,527	(19,920)	607	22,835	(22,276)	559
Aviation	1,755	(1,723)	32	1,771	(1,762)	9
	259,686	(103,707)	155,979	207,059	(90,467)	116,592
Life insurance:						
Individual life	454,250	(1,879)	452,371	389,990	(653)	389,337
Group life	73,596	(12,042)	61,554	47,420	(10,544)	36,876
	527,846	(13,921)	513,925	437,410	(11,197)	426,213
Customer Retention Scheme	(2,113)	-	(2,113)	(2,190)	-	(2,190)
	525,733	(13,921)	511,812	435,220	(11,197)	424,023
	785,419	**(117,628)**	**667,791**	**642,279**	**(101,664)**	**540,615**

35 COMMISSION EXPENSE

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Commission expense	126,782	99,024
Commission expense deferred	(3,731)	(1,544)
	123,051	**97,480**

36 COMMISSION INCOME

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Commission income	26,815	22,676
Commission income release/(deferred)	128	(1,476)
	26,943	**21,200**

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

37 RECONCILIATION OF PROFIT AFTER TAX TO CASH GENERATED FROMThe Group

		The Company		The Group	
		2020	2019	2020	2019
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Profit for the year		25,093	28,735	146,730	117,228
Depreciation and amortisation	6 & 7	3,705	3,338	16,027	13,523
Write-off of property and equipment and investment property	6 & 8	-	-	39	4,842
Impairment of financial assets	4	-	-	5,670	(333)
Fair value loss/(gains) on investment properties	8	-	-	2,442	19,762
Exchange differences on valuation of investment properties	8	-	-	(11,327)	(35,870)
Exchange difference on loans and borrowings	24	-	-	1,550	8,960
Finance cost	41	1,813	3,191	4,979	8,425
Investment income	29	(54,149)	(44,574)	(136,496)	(114,398)
Profit on sale of property and equipment	6	(104)	(106)	(915)	(249)
Transfer to life fund	18	-	-	108,565	75,731
National fiscal stabilisation levy	27	-	-	8,914	6,073
Income tax expense	28	733	(76)	19,871	12,492
Effect of exchange difference on cash held		(2,847)	(4,127)	(4,888)	(8,558)
		(25,756)	(13,619)	161,161	107,628
Changes in working capital:					
Unearned premium	19	-	-	16,405	4,745
Outstanding claims	20	-	-	10,254	2,402
Deferred commission income	36	-	-	(128)	1,476
Amount due from re-insurers	14	-	-	(4,645)	3,786
Amounts due to related parties	26	-	-	5,291	15,471
Inventories	25	-	-	(35)	(178)
Trade and other receivables	12	2,410	(2,410)	(62,082)	(3,753)
Prepayments		89	(104)	(52)	167
Deferred commission expense	35	-	-	(3,730)	(1,544)
Amount due from related parties	26	(23,283)	(31,799)	-	-
Policy holder retention scheme		-	-	(135)	76
Trade and other payables	21	3,129	660	5,858	4,790
Amount due to re-insurers	14	-	-	1,386	(8,040)
Cash (used in)/generated from operations		**(43,411)**	**(47,272)**	**129,548**	**127,026**

38 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.

38 SEGMENT INFORMATION *(continued)*

Group	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Elimination	Total
Year ended 31 December 2020	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Net premium earned - external	139,574	511,812	-	-	-	-	-	651,386
Interest income - external	25,130	106,930	4,516	-	-	104		136,680
Other revenue - external customers	-	1,356	34,105	3,937	8,626	-	-	48,024
Other revenue - related parties	-	1,518	-	10,003	-	-	(11,521)	-
Net investment and other income - related parties	-	834	-	(3,596)	-	54,197	(51,435)	-
Net investment and other income - others	3,656	(1,666)	441	9,274	-	(48)	-	11,657
Net income	168,360	620,784	39,062	19,618	8,626	54,253	(62,956)	847,747
Change in life fund	-	(108,565)	-	-	-	-	-	(108,565)
Insurance benefits and claims	(69,184)	(196,881)	-	-	-	-	-	(266,065)
Net commission expense	(12,068)	(85,053)	-	-	852	-	161	(96,108)
Finance cost	(2,388)	(2,365)	(963)	(3,392)	(1,262)	(1,813)	7,204	(4,979)
Impairment release/ (charge) on financial assets	-	(6,000)	-	330	-	-	-	(5,670)
Depreciation and amortization	(4,109)	(6,460)	(2,403)	(139)	(2,358)	(3,510)	3,344	(15,635)
Operating expenses	(48,238)	(75,326)	(14,950)	(9,105)	(6,842)	(23,104)	2,354	(175,211)
Profit/(loss) before tax	32,373	140,134	20,746	7,312	(984)	25,826	(49,893)	175,514
National Fiscal Stabilisation Levy	(1,619)	(7,295)	-	-	-	-	-	(8,914)
Income tax (expense)/credit	(8,339)	(455)	(5,474)	(3,052)	-	(733)	(1,818)	(19,871)
Profit after tax	**22,415**	**132,384**	**15,272**	**4,260**	(984)	**25,093**	**(51,711)**	146,729
Total assets	**285,470**	**1,165,212**	**43,777**	**444,472**	14,030	**488,954**	**(696,407)**	1,745,508
Total liabilities	**159,247**	**780,815**	**11,926**	**349,473**	**23,440**	**47,996**	**(391,775)**	981,122
Acquisition of property and equipment	**1,533**	**8,138**	**583**	**263**	**759**	**828**	**360**	**12,464**

38 SEGMENT INFORMATION *(continued)*

Group	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Elimination	Total
Year ended 31 December 2019	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Net premium earned	111,847	424,023	-	-	-	-	-	535,870
Interest income - external	21,162	81,235	2,790	-	-	14,816		120,003
Other revenue - external customers	-	1,475	26,131	1,587	6,345	-	-	35,538
Other revenue - related parties	-	1,475	-	9,538	-	-	(11,013)	-
Net investment and other income - related	-	-	-	(4,806)	-	29,600	(24,794)	-
Net investment and other income - others	8,181	(3,625)	322	13,035	373	4,391	-	22,677
Net income	141,190	504,583	29,243	19,354	6,718	48,807	(35,807)	714,088
Increase in Life fund	-	(75,731)	-	-		-	-	(75,731)
Net claim incurred	(59,885)	(189,730)	-	-		-	-	(249,615)
Net commission	(8,859)	(69,312)	-	-	902	-	989	(76,280)
Finance cost	(3,560)	(3,247)	(1,528)	(6,997)	(2,227)	(3,191)	12,324	(8,426)
Impairment release/ (charge) on financial assets	4,723	(4,000)	-	(390)	-	-	-	333
Investment property write off	-	(4,781)	-	-	-	-	-	(4,781)
Depreciation	(3,951)	(5,547)	(2,222)	(119)	2,162	(3,143)	3,815	(9,005)
Operating expenses	(39,416)	(67,356)	(12,863)	(15,299)	(8,494)	(13,814)	2,449	(154,793)
Profit/(loss) before tax	30,242	84,879	12,630	(3,451)	(939)	28,659	(16,230	135,790
National Fiscal Stabilisation Levy	(1,512)	(4,561)	-	-	-	-		(6,073)
Income tax (expense)/credit	(7,784)	(6,427)	(3,033)	4,530		**76**	146	(12,492)
Profit after tax	**20,946**	**73,891**	**9,597**	**1,079**	**(939)**	**28,735**	**(16,084)**	**117,225**
Total assets	**231,432**	**862,159**	**34,834**	**434,055**	**13,887**	**470,180**	**(547,431)**	**1,499,116**
Total liabilities	**126,165**	**648,149**	**10,255**	**343,315**	**22,937**	**45,088**	**(363,688)**	**832,221**
Acquisition of property and equipment	**1,644**	**12,018**	**1,707**	**393**	**1,670**	**3,322**	**-**	**20,754**

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For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

38 SEGMENT INFORMATION *(continued)*

Geographic Information
The geographic information analyses the Group's revenue and non-current assets by the Company's country of domicile. In presenting the geographic information below, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

	The Company		The Group		
Country of domicile	**Ghana**	**Gambia**	**Nigeria**	**Ghana**	**Gambia**
External revenues	563,189	8,219	-	564,202	7,206
Non-current assets*	421,524	471	6,852	414,427	601

* Includes property and equipment, intangible assets and investment property. These amount are before consolidation adjustments
No signle external customer accounts for 10% or more of the Group's revenue.

Company segment information
The segment information for the Company is the same as that represented under "Investments" segment for the Group operating segments disclosure.

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit attributable to equity holders of the company (GH¢ 000)	-	28,735	-	79,634
Weighted average number of ordinary shares in issue ('000)	170,893	170,893	170,893	170,893

39 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	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Profit attributable to equity holders of the company (GH¢ 000)	25,093	28,735	81,344	79,634
Weighted average number of ordinary shares in issue ('000)	170,893	170,893	170,893	170,893
Basic earnings per share	0.147	0.168	0.476	0.466

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. There are no potential dillutive ordinay shares.

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Dilutive earnings per share	0.147	0.168	0.476	0.466

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
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40 LEASES

a Leases as lessee

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 kiosk with contract terms of one to three years which are classified as low-value leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group and 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.

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Balance at 1 January	12,043	13,495	9,222	12,709
Additions	515	-	9,836	-
Depreciation charge for the year	(1,509)	(1,452)	(3,592)	(3,487)
Translation difference	-	-	(29)	-
Balance at 31 December	**11,049**	**12,043**	**15,437**	**9,222**

ii. Amounts recognized in profit or loss

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

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Interest on lease liabilities	1,254	1,219	1,224	809
Exchange loss on lease liabilities	559	1,972	363	620
Expenses relating to leases of low-value assets	12	11	12	1,309

iii. Amounts recognized in statement of cashflow

	The Company		The Group	
	2020	**2019**	**2020**	**2019**
Interest payments	1,254	1,219	1,213	809
Principal lease payments	1,216	1,332	1,696	2,143

Notes to the Financial Statements

For The Year Ended 31 December 2020 *(continued)*

(All amounts are in thousands of Ghana cedis)

40 LEASES *(continued)*

a Leases as lessee

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¢ 6.5million and GH¢ 3.2million (GH¢ 3.15 million and GH¢ 2.86 million) for the Group and Company respectively.

v. Lease liabilities

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at January 1	14,135	13,495	7,219	8,742
Additions	-	-	2,977	-
Modifications	515	-	4,049	-
Interest expense	1,254	1,219	1,224	809
Interest paid	**(1,254)**	**(1,219)**	**(1,213)**	**(809)**
Lease payments	**(1,216)**	**(1,332)**	**(1,696)**	**(2,143)**
Foreign currency transactional loss	**559**	**1,972**	**363**	**620**
Translation difference	**-**	**-**	**(10)**	**-**
Balance at 31 December	**13,993**	**14,135**	**12,913**	**7,219**

The Company's lease arrangements that resulted in the lease liabilities rescognised are with its subsidiaries i.e Enterprise Properties Limited and Seventh Avenue Properties Limited. The breakdown of lease liabilty due to each subsidiary has been disclosed in Note 26.

See Note 4 for maturity analysis of lease liabilities as at 31 December 2020 and 2019

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 2020 was GH¢ 5.3million (2019: GH¢ 3.1million).

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

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

40 LEASES *(continued)*

b Leases as lessor *(continued)*

	The Group	
	2020	2019
	GH¢'000	GH¢'000
Less than one year	3,190	1,865
One to two years	2,292	2,797
Two to three years	1,500	1,345
Three to four years	939	-
Four to five years	718	-
Total	**8,639**	**6,007**

41 FINANCE COST

	The Company		The Group	
	2020	2019	2020	2019
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Interest on loans and borrowings (Note 24)	-	-	3,392	6,997
Interest on lease liabilities (Note 40)	1,254	1,219	1,224	809
Exchange loss on lease liabilities (Note 40)	559	1,972	363	620
	1,813	**3,191**	**4,979**	**8,426**

42 CONTINGENCIES

"There are certain lawsuits and claims pending against the Group which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to GH¢ 1,244,447 (2019: GH¢ 1,120,996) as at 31st December 2020. In the opinion of the Directors, the Group's liabilities are not likely to be material. The event here cannot be determined with sufficient reliability thus no provision has been made in these financial statements.

There are no pending litigations against the Company as at 31 December 2020 and 31 December 2019"

43 CAPITAL COMMITMENTS

There were no capital commitments for the Group and Company at 31 December 2020 (2019: Nil).

44 OFF BALANCE SHEET TRANSACTIONS

Enterprise Properties 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 ("Advantage Place"). Seventh Avenue Properties Limited and Enterprise Group Plc are the first and second guarantors, respectively.

Notes to the Financial Statements
For The Year Ended 31 December 2020 *(continued)*
(All amounts are in thousands of Ghana cedis)

45 DIVIDEND PER SHARE

Dividend declared

The Directors recommend the payment of dividend of GH¢ 0.54 per share for amounting to GH¢ 9.2million (GH¢ 0.045 per share for amounting to GH¢ 7.7million).

Proposed dividend

The Directors of the Company wish to propose a dividend of GH¢ 0.062 per share amounting to GH¢ 10.6 million for 2020 (2019: GH¢ 9.2million) at the forthcoming annual general meeting.

46 SUBSEQUENT EVENTS

The Directors are of the opinion that there are no post balance sheet events which could have had material effect on the statement of financial position of the Company at 31 December 2020 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.

Shareholder Information

(i) Directors shareholding at 31 December 2020

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 2020

	Number of Shareholders	Number of Shares	Percentage Holdings
1–1,000	1,754	557,350	0.33%
1,001–5,000	1,010	2,435,801	1.43%
5,001–10,000	357	2,541,811	1.49%
10,001 and over	509	165,357,863	96.76%
	3,630	170,892,825	100%

Name of Shareholder	Name of Shareholder	Percentage holding
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 ZBGC/CEDAR PROVIDENT FUND	2,252,871	1.32%
9 SCGN / NORTHERN TRUST CO. AVFC 6314B	2,040,032	1.19%
10 ZBGC/CEDAR PENSION FUND,	2,014,400	1.18%
11 STD NOMS/CS SEC (US) LLC/AFR OPPT CAYMAN LTD	1,495,645	0.88%
12 EGH/ECG PENSION SCHEME TIER 3 PORT 1	1,239,945	0.73%
13 OTENG-GYASI, ANTHONY	1,000,500	0.59%
14 ZBGC/AXIS PENSION PLAN	858,300	0.50%
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	657,115	0.38%
19 ESTATE OF DR. P.K ANIM-ADDO,	625,000	0.37%
20 GHANA INTERNATIONAL SCHOOL STAFF PF,	600,000	0.35%
TOTAL	144,349,368	84.47%
OTHERS	26,543,457	15.53%
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 2020 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¢ 96.9million over the past year to date, as shown in the table below:

	2020	2019
	GH¢'000	GH¢'000
Net Asset Value	281,890	230,301
Value of in-force business	527,320	460,591
Cost of Capital	(33,997)	(12,611)
Embedded Value	**775,213**	**678,281**

The embedded value earnings are shown in the table below:

	2020	2019
	GH¢'000	GH¢'000
Change in EV (excluding dividends)	96,932	170,494
Dividends paid	75,000	48,000
Decrease (Increase) in Capital	17,436	(3,602)
Embedded Value Earnings	**189,368**	**214,892**

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

Analysis of Embedded Value Earnings

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

	VIF GH¢'000	COC GH¢'000	NAV GH¢'000	EV GH¢'000
Roll forward to year end	89,009	(2,897)	30,379	116,491
Transfers to net worth	(105,848)	-	105,848	-
VNB	76,901	(3,928)	3,754	76,727
Experience profits	(10,101)	(6,896)	(24,399)	(41,396)
Actuarial basis changes	21,767	(7,665)	23,444	37,546
Embedded Value earnings	**71,728**	**(21,386)**	**139,026**	**189,368**

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. (2019: 15.0% p.a.) and inflation at 10% p.a. (2019: 10% p.a.). The risk discount rate is 20% p.a. (2019: 20% p.a.).

G T Waugh MA FASSA
Statutory Actuary 24 March 2021

Enterprise Group Plc

PROXY FORM

I/WE ....

.... *being a member/ members of Enterprise Group PLC 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 22nd June 2021 at 10.30am and at any adjournment thereof.

**(Block Capitals Please)*

The Annual General Meeting hereby resolves the following:

RESOLUTION – ORDINARY BUSINESS	FOR	AGAINST
1. To receive the Financial Statements of the Company together with the Reports of the Directors and the Auditors thereron for the year ended December 31, 2020.		
2. To declare a final dividend		
3, To appoint Messrs. PricewaterhouseCoopers as Auditors with effect from the conclusion of the Meeting.		
4. Rotation of Directors: a. To re-elect Trevor Trefgarne as a Director. b. To accept the retirement of George B. Otoo as a Director.		
5. To re-elect Michael Tyson as a Director.		
6. To authorize the Directors to fix the remuneration of the Auditors.		
RESOLUTION – SPECIAL BUSINESS		
7. To pass the following as a special resolution: "To change the Constitution of the Company in accordance with the Companies Act, 2019 (Act 992)."		

Dated this……………….day of …………………………..……………………………. 2021

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

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IMPORTANT: Before sending the attached form, please tear off this part and retain it - see over. A member who is unable to attend the Meeting is allowed 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
Martco House, 1st Floor
Okai Mensah Link
Off Kwame Nkrumah Avenue
Adabraka, Accra

Second Fold Here

Third Fold Here

Cut Here *Cut Here*

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

t,

ENTERPRISE GROUP PLC

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, Airpor

enterprise GROUP

Your Advantage

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