enterprise
GROUP
Your Advantage

ENTERPRISE MARKET: POSITIONED FOR THE FUTURE

2015 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

- **F**riendliness
- **T**rust
- **R**eliability
- **E**xcellence
- **P**rofessionalism

enterprise INSURANCE

enterprise LIFE

enterprise TRUSTEES

enterprise PROPERTIES

enterprise FUNERAL SERVICES

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Notice and Agenda of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of Enterprise Group Limited will be held at the College of Physicians and Surgeons, Independence Avenue, Accra on Tuesday 12th July, 2016 at 10a.m. for the following purposes:

1. To receive the Report of the Directors and the Financial Statements together with the Report of the Auditors thereon for the year ended 31st December, 2015.
2. To declare a final dividend.
3. To re-elect retiring Directors:
   a. Mr. Trevor Trefgarne
   b. Mr. Martin Eson-Benjamin.
4. To ratify the appointment of Prof. Angela Ofori-Atta as a Director.
5. To appoint Messrs. KPMG as Auditors.
6. To authorise the Directors to fix the remuneration of the Auditors.
7. To approve the remuneration of the Directors.

By Order of the Board
Sadia Chinery-Hesse
Company Secretary

30th May, 2016.

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

Five Year Financial Summary

(All amounts are expressed in thousands of Ghana cedis)

	2015	2014	2013	2012	2011
Group Net Income	349,305	288,374	230,968	145,694	95,877
Net Investment Income	74,986	74,517	68,001	31,505	15,344
Net Insurance Premium	253,712	203,932	157,783	111,928	79,553
Net Benefits & Claims	178,121	129,921	114,726	60,998	33,480
Operating expenses	70,073	53,896	41,394	31,349	22,095
Profit before tax	59,041	69,581	41,394	32,662	23,309
Profit after tax	51,567	61,289	39,673	29,896	23,734
Total Equity and Surplus	276,137	223,293	135,152	106,536	75,302
Total Assets	633,450	485,951	345,997	223,626	152,890
Number of shares	**133,270,825**	**131,900.825**	**131,210,825**	**131,210,825**	**131,210,825**
Earnings per share (GH¢)	0.207	0.288	0.238	0.148	0.145
Dividend per share (GH¢)	0.050	0.215	0.045	0.032	0.000
Return on Assets (%)	9.21%	14.73	13.93	15.88	17.71
Return on Equity (%)	13.33%	21.20	27.30	22.43	30.67
Share price (Market) (GH¢)	2.40	1.75	1.88	0.48	0.38
Price Earning Ratio	11.60	6.08	8.01	3.24	6.67

Corporate Information

Board of Directors

Trevor Trefgarne	*Chairman*
Keli Gadzekpo	*Chief Executive Officer*
Emmanuel Idun	*Executive Director*
Ken Ofori-Atta	*(resigned 30 June, 2015)*
George Otoo	
Martin Eson-Benjamin	
H. E. (Mrs.) Margaret Clarke-Kwesie	
Prof. Angela Ofori-Atta	*(appointed 1 October, 2015)*

Secretary
Sadia Chinery-Hesse
No 11 High Street
PMB 150, GPO
Accra

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

Independent Auditor
PricewaterhouseCoopers, Chartered Accountants
3rd Floor, Una Homes Building
No.12 Airport City
Accra
PMB CT 42
Cantonments

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

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

Bankers
Barclays Bank of Ghana Limited
Standard Chartered Bank Ghana Limited

As part of our growth and diversification strategy, we are continuing investment projects currently underway. This includes our new office development; investments supporting entry into funeral services and other investments supporting our existing core businesses.

Trevor Trefgarne
Chairman,
Enterprise Group Limited

Chairman's Review

Summary

In an eventful and challenging year, I am happy to report a satisfactory performance for 2015. We largely achieved our growth and profitability ambitions, and laid the foundations of our long term vision to build a financial services business, founded on our solid and leading positions in insurance.

The economic instability experienced in the last few years continued in 2015. Our management team adapted well with a flexible approach consistently aimed at delivering on our objectives. This instability seems to be the normal state of affairs and we necessarily remain agile in order to maintain our position as industry leaders.

The Economic Environment in 2015

Ghana's economic performance in 2015 and the business environment can be characterized as difficult, perhaps worse than our own predictions. However these cannot be viewed in isolation from the global economy as both internal and external factors played a role in the outturn.

Continuing concerns about the health of the global economy, led to low economic growth in the developed economies. This, together with a significant down turn in China's economic growth, negatively impacted global demand for commodities. Ghana's commodity export led economy suffered as the Government scrambled to find ways to bridge the gaps in revenue collection.

Nowhere was the commodity price rout better illustrated than through the price of crude oil which has steadily plummeted from US$120 in July 2014 to below US$ 30 in January 2016. The increasing Ghana production from new oilfields can only partially compensate for revenue lost through price. Gold prices fell by 13% in the year to US$ 1,090 per troy oz. Gold has consequently lost 35% of its value since January 2013 resulting in curtailed industry investment, mine closures and labour retrenchment. Cocoa, Ghana's third largest export experienced some price growth, bucking the global commodity price trends.

2015 also illustrated the increasing global interdependencies. The slowdown in China will be of concern to Ghana's economic management team as China accounts for 11% and 25% of exports and imports respectively, and recognising the potential knock-on effect, particularly on infrastructure investment.

Ghana signed onto an IMF assisted programme in April 2015. A key component of the programme is to address the fiscal deficit projected to be 7.3% at the end of 2015, driven by the higher than desirable public payroll and revenue shortfalls. Although 2015's deficit represents an improvement on year end 2014's 9.4%, it is still way off the IMF's 5.8% target for 2016. Consequently, public debt rose to an estimated 77.3% of GDP representing a deterioration on the prior year's 70.9%. Regrettably the global events enumerated above present the Government with additional hurdles to overcome.

Chairman's Review *(continued)*

The impact of these events on the business operating environment should not be underestimated, particularly in the context of the competing expenditure demands in area of infrastructure, such as resolving the power crisis, continuing wage demands in the public sector and the rejection of additional taxes and utility price increases by labour.

Against the above background, GDP growth for 2015 is projected at 3.8%, with the industry component performing best with a growth of 6.5%.

Inflation rose progressively through the year closing at 17.7%. This growth was driven by the non- food index which closed 2015 at 23.3%, and which in turn was driven by components of the index, such as transport 27%, education 26.8%, household furnishings & maintenance 25.8%, household utilities 24.3% and clothing 24.1%. These indicators clearly illustrate the significant impact on consumer purchasing power.

The cedi's volatility continued, as demand outstripped supply, and on account of significantly lower revenues from Ghana's primary exports. Inflows from the IMF and offshore bond programmes partially bridged the foreign exchange supply gaps created by the fall in export prices.

Economic outlook for 2016

It would be unwise to underestimate the potential short and medium term impact of the continuing global economic turmoil on Ghana's economy. Even without the current global issues, the Government's economic management team are faced with major hurdles to overcome; achieving economic stability, currency depreciation, infrastructure deficiencies, particularly power shortages, managing Ghana's growing debt, the resistance of labour and business to new tax revenue measures, damage to business confidence and its impact on growing unemployment, and Ghana's ability to attract new investment. 2016 as an election year heightens the risks associated with maintaining fiscal discipline, however the Government has consistently affirmed its commitment to stay on the path to stability. While this is encouraging we do not envisage recovery until 2017.

As a business, we are in the game for the long term and see the current turbulence as a passing phase, for which we continue to innovate and grow in order to meet the aspirations of our customers and shareholders.

Strategy and Business Performance

2015 represented a significant milestone for the Group as Enterprise Life achieved the largest premium income of any company in the Ghana Life Assurance market. This is a remarkable achievement and validates our aggressive growth strategy, demonstrates the opportunities in the financial services industry.

We congratulate the Life management team and encourage them to maintain their preeminent position.

In an economically difficult and intensely competitive environment, we fell short of our expected growth target, achieving a net income growth of 21.1%. This compares with 2014's 24.9%, and was underpinned by strong growth delivery from our core insurance and pensions businesses as well as strong yields on bond and fixed income deposits. Profits dipped as the business came under cost pressures from inflation and the cedi's depreciation. The June 3rd 2015 floods resulted in Gross claims for our general insurance business exceeding GHS 120m. We were able to absorb these claims, the highest ever by several multiples, through a sound policy of reinsurance, allowing us to manage this significant shock. The weakened economic environment caused share price reductions on the GSE, driven particularly by offshore investors seeking shelter from the Cedi weakness. Losses on our GSE investments further dampened profitability. Group Profit after Tax was therefore GHS 51.6m compared with the GHS 61.3m achieved in 2014. It must be borne in mind that 2014's performance included unrepeated material gains on our property investment portfolio.

Overall, we are satisfied with the performance of the business, although the task of managing the adverse impact of the current economic environment remains.

Shareholder Return & Dividends

The GSE index registered a decline of 11.8% in full year, driven by the financial index which registered a decline of 13.98%. P/E ratios were generally in low single digit territory for almost all financial stocks. Against the market trend, Enterprise's share price appreciated on modest volumes from a 2014 share price of GHS 1.74 to close 2015 at GHS 2.40 per share, representing an appreciation of 37.4%.

Chairman's Review *(continued)*

As part of our growth and diversification strategy, we are continuing investment projects currently underway. This includes our new office development; investments supporting entry into funeral services and other investments supporting our existing core businesses. We invested GHS 41.6m in Enterprise Properties during 2015; GHS 5.0m in Enterprise funerals and in other strategic initiatives.

These initiatives are absorbing a large proportion of the cash we generate as a business so in 2016, we will take on debt funding to support Enterprise Properties complete the 7th Avenue office development.

In view of the forgoing, and subject to your approval, we are recommending a first and final dividend of GHS 0.05 per share, and a total payment of GHS 6.7m. In comparisons with prior year, it must be remembered that 2014 dividend included an extraordinary payment of GHS 0.19 per share, following the partial disposal of our equity in Enterprise Insurance.

Management & Staff

On behalf of Directors and shareholders, I wish to express our thanks to the management and staff for their continued loyalty, creativity and industry.

Changes in Board and Senior Management Team

As our business evolves we need to ensure our structures and management teams remain dynamic and responsive to our strategic direction. In this context, and earlier this year, we made the following Board and senior management changes:

Mr Ken Ofori Atta retired from the Board of Enterprise Group Limited in June 2015. Mr Ofori Atta originally joined the Enterprise Insurance Company Limited Board in 1998, and was also the Chairman of Enterprise Life. He has been pivotal in the direction and growth of the Enterprise Group.

Mr Charles Paul Odei retired from the Board of Enterprise Insurance Company Limited, after 23 years meritorious service as a non-executive Director and Chairman of the Enterprise Insurance Board Audit Committee.

Professor Angela Ofori-Atta joined your Board, and her appointment is being recommended for ratification at the AGM. Angela is an Associate Professor at the University of Ghana Medical School where she teaches Psychology and Professional Ethics. She obtained her Masters and Doctorate degrees in Clinical Psychology from the University of British Columbia, Vancouver, Canada.

Mr CC Bruce, former Executive Director of Enterprise Life, takes over a newly created role of Chief Operations Officer, Enterprise Group Limited, and will have responsibility for overseeing operations in the insurance and pensions businesses; working collectively with subsidiary operations management teams to deliver both strategy and results, as well as ensuring synergies are realised across operating teams.

Mrs Jacqueline Benyi, formerly General Manager, Operations for Enterprise Life, has been appointed Executive Director, Enterprise Life.

She is a Chartered Insurer and an Associate of CII, UK. She has an Advanced Diploma in Life and Disability Underwriting (DLDU) and an Advanced Diploma in Life and Disability Claims (DLDC) from the Assurance Medical Society of London. Jackie is a product of the Sanlam Senior Management Development Programme which she completed in 2013, and in July 2015 she also completed the Sanlam Executive Leadership Programme organized by Sanlam and the Gordon Institute of Business Science, University of Pretoria.

Her qualifications and experience have prepared her adequately for this role and we are confident she will lead the company to new heights.

Mr Daniel Larbi-Tieku, formally General Manager, Finance, for Enterprise Life, has been appointed Chief Financial Officer, Enterprise Group Limited. Daniel is a Chartered Accountant with a first degree in Accounting from the University of Ghana and also holds a Masters in Finance from the University of Wales, UK. Prior to joining Enterprise in June 2011, he was the Head of Finance at Coca Cola Bottling Company Ghana. Mr Larbi-Tieku takes over from Mr Emmanuel Idun, Executive Director, Finance since the inception of Enterprise Group. Mr Idun will continue at Enterprise Group in an Executive consulting role.

We wish to thank Messer's Ofori-Atta, Odei and Idun for their services to the Board and contribution to the growth of the Enterprise Group.

2016 Prospects

While the Ghana economic environment will likely remain volatile through this election year 2016, we anticipate business recovery in 2017. We consider continuing volatility as normal but will nonetheless strive to retain your confidence as Enterprise grasps the great opportunities in our industry.

Trevor Trefgarne
Chairman, Enterprise Group Limited

Board of Directors - Enterprise Group Limited

(Left to Right) :

George Otoo, *Director,* **Martin Eson-Benjamin,** *Director,* **Angela Ofori-Atta,** *Director*,
Trevor Trefgarne, *Chairman,* **Keli Gadzekpo,** *Group Chief Executive Officer,* **H. E. Mrs. Margaret Clarke-Kwesie,** *Director,*
Sadia Chinery-Hesse, *Secretary,* **Emmanuel Idun,** *Executive Director*

Non-Executive Directors of Subsidiary Companies

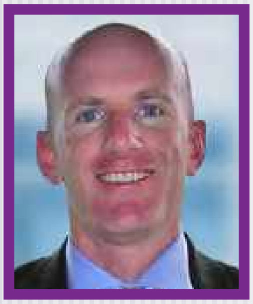
Matilda Obeng–Ansong
Director - Life

Gloria Akuffo
Director - Life

Margaret Dawes
Director - Life & Trustees

Fiifi Kwakye
Director - Life & Trustees

CC Bruce Jnr.
Group Chief Operations Officer
Director - Trustees



Josh Wrench
Director - Trustees

Kwabena Asante
Director - Properties

We also recognised that with the entry of International players, our standards in terms of innovation, product offerings and customer care, needed to improve for us to stay competitive, and enable us sustain our pre-eminent market position.

Keli Gadzekpo
Group Chief Executive Officer.
Enterprise Group Limited

Group Chief Executive Officer's Review

Introduction

Overall, we would rate the year 2015 as an exciting, somewhat difficult, but ultimately successful year.

Our excitement around 2015 arises firstly from the way our people adapted and innovated in the adverse economic conditions which prevailed during the year, largely achieving our corporate goals. Secondly, and resulting from an intensely consultative process, we developed a bold, but clearer vision of Enterprise Group's future, specifically our ambition covering the next five years to 2019. The plan envisions Enterprise Group providing an array of financial services within a cohesive "ecosystem". Thirdly, the floods of 2015 tested both our financial capacity and our ability to meet the expectations of our clients making claims, following the fire and disasters of June 3rd. On all counts, we believe we passed the test and gave our clients the advantage they deserve.

Finally the achievements of Enterprise Life in gaining the number one position in Life insurance by market share, represents a formidable achievement, which we have to work to sustain.

We maintained our growth trajectory achieving Group net income growth of 21.1% and PAT of GHS 51.6m, lower than 2014, but in the context of the environment and after stripping out "one off" exceptional gains in prior year, a solid performance.

The competitive and regulatory environment

In prior years we acknowledged the intensity of the competitive environment and recognised that this will only get more intense. In our core businesses of Life & General Insurance and Trustees, the number of industry players continues to grow, with 21, 26, and 27 operators in Life, General and Trustees respectively. We also recognised that with the entry of International players, our standards in terms of innovation, product offerings and customer care, needed to improve for us to stay competitive, and enable us sustain our pre-eminent market position. During 2015, there were one, two and two new market entries by new players in General Insurance, Life and Trustees respectively, bringing the number of industry players to Life 21; General 26, and Trustees 27. In spite of the large number of market players, the top 5 players in Life, General and Pensions accounted for 78%, 61%, and 25% of market share respectively. Against this backdrop, the individual businesses within the Enterprise Group performed creditably, thus enhancing their market positions further.

Enterprise Life attained the number one market position with 27.7% market share, up from prior year's 26.9%, thus overtaking the consistent number one player since the inception of Enterprises Life business. Enterprise Insurance regained its number 2 position with 12.9% market share, after ceding that position as at the end of 2014. Trustees maintained its overall position as the number one in the pensions market.

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

The "no premium no cover" policy operated for its first full year and represents a positive industry initiative, particularly in terms of cash flow and the quality of balance sheets.

During the year the National Insurance Commission sought to introduce regulatory reforms related to Corporate Governance and Risk Management supervision. Although the direction and principles will generally help improve the quality of management of many insurance businesses, many of the recommended changes appear too prescriptive and may increase the volume of administrative tasks and costs. Hopefully the ongoing dialogue within the industry will result in the right balance which will be in the long term interests of the industry.

The National Pensions Regulatory Authority continued to improve the governance mechanisms around the industry and have been consultative as they seek to review aspects of the financial portfolio mix. Late in the year we saw the first transfers of the TPRA to the private sector trustees including Enterprise Trustees. We look forward to the transfer of all outstanding balances in early 2016 which will allow Enterprise Trustee to fully deliver on its mandate to clients.

Group Strategy

In early 2015 we completed a review of the Group's strategic direction. This was the most comprehensive and collaborative exercise undertaken since we adopted the Group structure. The process reaffirmed our general ambition to progressively develop into a diversified financial services Group. This principle recognises the growing convergence and strong strategic alliances trend being built both in Ghana and our sub-region. The new plan covers the time frame 2015 to 2019.

Central to our new strategy is significant growth, both in our existing core businesses and new businesses under development, and to be developed over the plan period. Growth will be facilitated by creating a business "eco-system' which allows Enterprise to provide a bouquet of products and services which meets our clients' evolving lifespan needs, and will be hastened through alliances and partnerships. We believe that the strength of the Enterprise brand will act as the locomotive which enables the realization of the above objectives.

Supporting the above central theme are strategies which seek to deliver consistency in the quality of revenues, margins, profitability and cash flows. These are necessary not only to support our growth and diversification agenda, but also provides the basis for delivering shareholder value.

Facilitators for these key strategies will be heightened management focus on innovation, technology and the adoption of Group wide projects focusing on synergies which simplify systems and processes and also enhance productivity.

To ensure the entirety of our vision becomes a practical reality, we have elevated our most important resource, people, as a separate strategic pillar which seeks to develop and release the full potential of employees.
We shall continually update you on our progress in delivering against these objectives in our quarterly and annual reporting updates.

ACHIEVEMENTS

An exciting, somewhat difficult, but ultimately successful year.

GH¢349M
GROUP NET INCOME

GH¢253M
NET INSURANCE PREMUIM

GH¢633M
TOTAL ASSETS

GH¢ 51M
PROFIT AFTER TAX

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

Financial Performance

Revenues

Group net revenues grew to GHS 349.3m or 21.1% ahead of full year 2014. This growth was driven by Net income growth from our General and life insurance businesses of 18.1% and 27.8% respectively. Enterprise Trustees delivered a growth of 66.1% reflecting the exponential growth in Funds under Management rising from GHS 338m to GHS 649m as at year end 2014 and 2015 respectively. Although growth rates achieved were generally acceptable, they reflect a slowing trend, directly reflecting the difficult operating environment, and the continuing pressure on consumer's disposable incomes. This has in turn been manifested in lower retention rates, difficulties in premium collections and the higher costs associated with minimising the impact of these market disruptions. We believe the issues enumerated above will continue to persist for some time and we will continue to develop strategies to counter its adverse effects.

Total Investment income of GHS 75m reflected an overall growth of 0.7%, and continued to be a major contributor to the Group's income. It's share of net income, at 21.5% represented a reduction from 2014's 25.8%. The low investment income growth was wholly attributed to lower fair value gains on dollar denominated investment property assets, and lower depreciation of the Cedi in 2015 versus 2014. Equities had a poor year on account of capital losses on Ghana Stock Exchange's quoted investments.

The lower yields on investment property and quoted equities masked the growth of 58.4%, or income of GHS 67.8m achieved on fixed income, as we took advantage of the higher yields available on Government paper, and from the financial institutions.

Work on our office development which will be an investment property continued and we expect lettings and occupation, and therefore deriving income streams to start in early 2017.

Operating Costs

Total Group net expenses of GHS 290.3m represented an overall growth of 30.6%. This was driven by a growth of 48.7% in the 2015 actuarial provision for life policy holders of GHS 69.3m, in turn driven by the growth in fixed income investments held mainly to support Life policy liabilities. Excluding Life liability provisions, net expenses growth was 26.1%.

Net claims costs of GHS 108.8m, represented a growth of 30.6%, a significant improvement on prior year's 70.7%. 2015 claims growth was driven by claims growth of 28.3% in the life business and reflects some of the impact of the economic climate which appears to have driven some policy holders to make full or partial withdrawals in advance of policy maturities.

The General business experienced some major claims in 2015. Most prominent amongst these was the June 3rd 2015 floods and events arising, which materially increased gross claims in the General business to GHS 123.5m, representing a growth in gross claims of 302%.

Through prudent reinsurance practices, the net impact of these major claims was significantly reduced resulting in a claims growth of 24.1% for the general insurance business.

Our ability to absorb the potentially severe impact of these claims on our Financial position and cash flows reflects the financial strength of our General Insurance business comparative to the market.

Considering the operational and business environment in 2015, we consider this result a very satisfactory outturn.

GH¢304m
GROSS PREMIUM

GH¢74.986m
INVESTMENT INCOME

GH¢51.567m
PROFIT AFTER TAX

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

Commission payments of GHS 42.1m grew at 20.3% broadly driven by commissioned agent payments which accounted for 83% of the total outlay on commissions.

Operating and management costs of GHS 70.1m represented a growth of 30% and was driven by business growth, head count and new channels.

Profits

2015 was a year in which operating and profit margins came under severe pressure from the multiple impact of the adverse economic climate; suppressed growth; cost push pressures; the material growth in costs on account of exceptional claims events and the impact of the climate on consumer purchasing power and its push effect on policy withdrawals. Additional pressures on profitability came from the capital losses on equities quoted on the Ghana Stock Exchange and the lower fair value gains on investment property.

Profit after tax of GHS 51.6m represented a margin of 14.7% of net income against prior year's margin of 21.3%. PAT of GHS 51.6m therefore represented a decline of 15.9% versus prior year 2014, driven by the factors enumerated above.

Profit attributable to Enterprise Group shareholders was GHS 27.6m versus GHS 37.9m achieved in 2014.

ROE and ROA were 13.3% and 9.2% respectively, down from prior year's 21.2% and 14.7% respectively.

Earnings per share of GHS 0.207 compared with EPS of GHS 0.288 in prior year and attributable to Enterprise Group members.

Cash Flows

In line with the Group's strategy, we continued work on new business developments and ventures aimed at establishing Enterprise as a diversified financial services Group. These included a project in Properties to create investible long term assets; the business entry into funeral services and other investments in business infrastructure. All these gave rise to material cash outflows. These investments are essential to delivering on our strategies and the long term success of the business.

Net cash outflow on account of investing activities, including investment properties was GHS 53.4m.

Going forward we intend to inject the cash required to fund key elements of our strategy from both debt and equity from the partnerships we create. This will be additional to a greater focus on the management of cash from existing operations.

Statement of Financial Position

Total Assets for the Group saw a 30.3% growth in 2015. The growth was driven by investments in properties and an appreciation in the value of other investment properties which are dollar denominated, of 59.1%; Investments in business infrastructure, 71.6%, and growth in our investments portfolio other than properties of 30.3%. Growth in the latter can be attributed to the current high yields on fixed income.

Net Assets grew to GHS 276.1m on account of the growth in the Group assets. Net assets attributable to Enterprise Group shareholders grew by 9.5% to GHS 196.2m.

Management & Staff

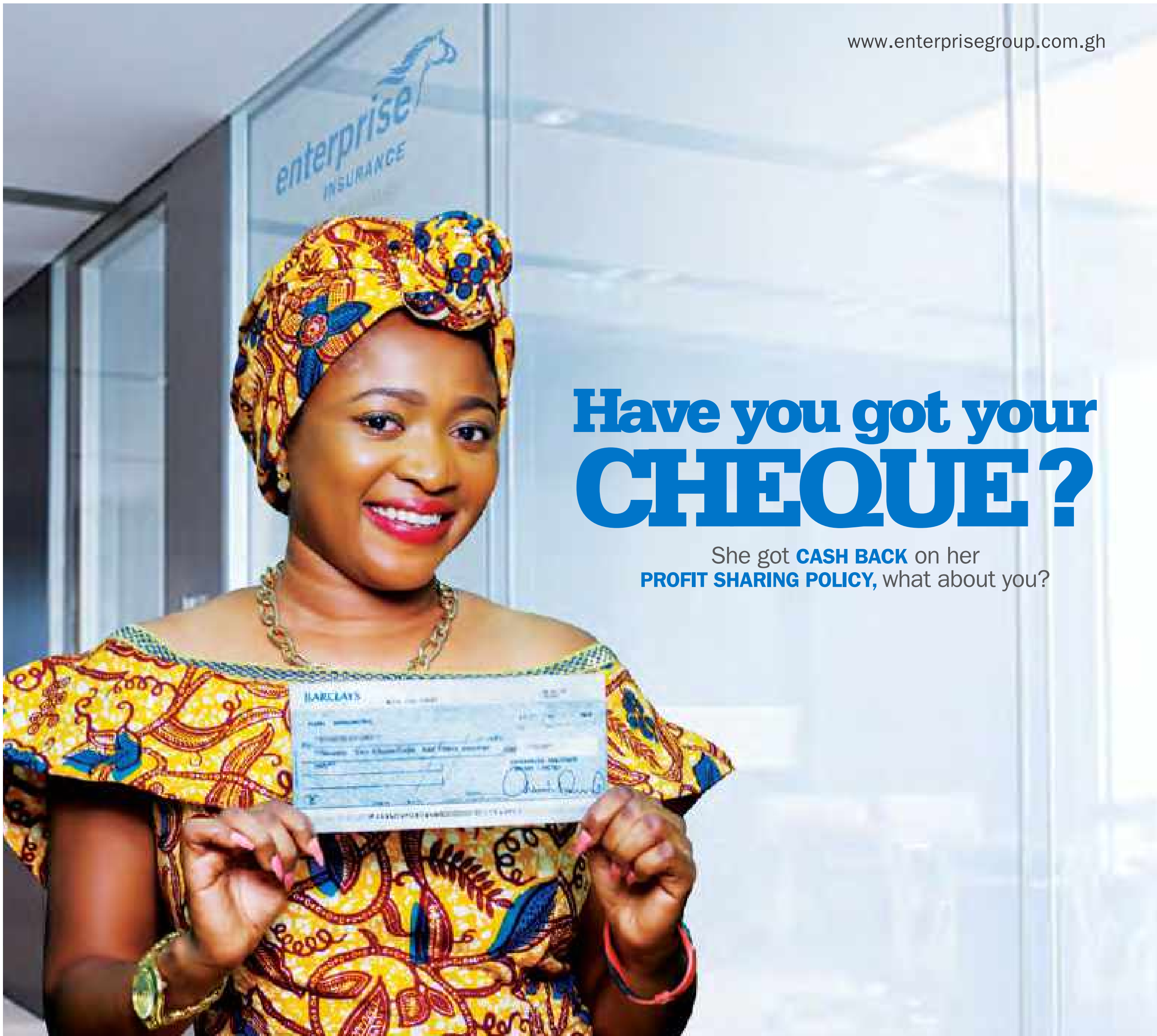
Once again, my thanks to the management and staff of the Enterprise family for their continued support and loyalty.

Forward view Prospects for 2016

We believe our strategic direction and plans remain relevant and appropriate to the evolving and uncertain environment. These plans will be adapted and prioritised to meet the changing economic climate as we strive to offer products and services that are relevant to our customers through their lives and even beyond.

Keli Gadzekpo

Chief Executive Officer. Enterprise Group Limited



Enterprise Insurance is giving cash back to all its profit sharing policy holders who have not made a claim in three years. Contact Enterprise Insurance on your 2015 renewal date and insist on your cheque.

Always choose Enterprise Profit Sharing policies for your vehicle , home, office or Personal Accident insurance.

Contact us on +233 302 666 856 - 8 / 666 847 - 9   Email: info@enterprisegroup.com.gh

enterprise
INSURANCE
Your Advantage

In line with our strategic objective of growing our market share and improving our net results, we opened three new branches at La, Lapaz and South Industrial Area and created two new units: Salvage Unit and Recovery Unit.

Kwame Ofori
Executive Director, Enterprise Insurance

Enterprise Insurance Company Limited

The Industry

The year 2015 witnessed two main interventions from the National Insurance Commission (NIC).

The NIC in accordance with section 77 of the Insurance Act 724, issued approved commission rates for intermediaries across all lines of businesses. Previous attempts to regulate commission rates had generally been unsuccessful. However, with the sanctions introduced as part of this latest directive, it is expected that the 2015 version will fare much better than the previous ones.

In the 2014 report, we hinted of the industry's engagement with the NIC on the inadequacy of the Motor Third Party Premiums which had remained unchanged since 2010. Fortunately, this engagement led to an upward revision of the Motor Insurance Tariffs in July 2015. This increase was met with significant public and media outcry forcing the Industry to accept an increase lower than the percentage previously agreed. The plan now is to gradually revise the tariff annually to enable the industry get to a level where premiums will allow for commensurate compensation of 3rd party victims.

This revision will undoubtedly lead to a rise in Gross Premium Incomes for the industry as Motor Business constitutes a significant proportion of the industry's business.

The National Insurance Commission is currently working on guidelines for the settlement of Motor Injury Claims. Presently, there is no industry-wide guide for the settlement of injury claims and currently the amount payable is unlimited. It is hoped that the completion of this guideline will facilitate speedy and fair settlement of injury claims within the industry.

Our Business

The year 2015 was a combination of triumphs and challenges. It was characterized by a strong top line growth, innovations and flood losses.

In line with our strategic objective of growing our market share and improving our net results, we opened three new branches at La, Lapaz and South Industrial Area and created two new units: Salvage Unit and Recovery Unit.

The Salvage Unit is to help bring focus to our disposal of salvage which will result in relatively higher receivables from our disposals. The Recovery Unit is to lead the recovery of our outlays from tortfeasors. These Units will play a central role in our strategy going into 2016.

In the course of the year under review, we also partnered GT Bank and launched an online insurance payment platform.

This is to allow us tap into the segment of the insuring public that prefers online transactions. This means that our insurance products are now available 24/7, irrespective of our business hours.

Enterprise Insurance Company Limited Report *(continued)*

The country witnessed one of its most tragic disasters on 3rd June 2015 following a heavy downpour which led to flooding in most parts of Accra. A number of our clients suffered flood damage to their insured assets. Tragic as the situation was, it gave us an opportunity to demonstrate the true Enterprise Advantage we continuously promise our clients. As at now we have paid in excess of GHS 60m in respect of these claims. The effectiveness of our reinsurance programme was brought to the fore and the net effect of these claims has not had an adverse impact on our Balance sheet. Going forward we have suspended flood cover for businesses located in flood prone zones as these losses have now become so predictable.

Business Results

Our sustained growth agenda gained momentum in 2015 even within the challenging environment in which we had to operate. Gross premium grew by 43.46%, from GHS 70.40m to GHS 101m while net premium grew by 45.30%, from GHS 45.6m to GHS 66.3m. The increase in the motor third party insurance premiums no doubt partly contributed to this growth. Additionally, the increased focus we gave our agents and brokers propelled this growth.

New Business worth GHS 33.3m was written which constitutes 32.90% of our gross premium of GHS 101m. This is against the new business contribution of GHS 24.2m to our gross premium of GHS 70.7m for 2014.

Our claims incurred grew by 24.07% from the GHS 29.3m in 2014 to GHS 36.34m in 2015. Even though we were severely hit by the June 3rd 2015 floods in Accra, our effective reinsurance arrangements ensured that our bottom line was not significantly impacted.

Underwriting profit grew by 18.72% from GHS 0.705m in 2014 to GHS 0.837m in 2015.

Interest Income of GHS 11.29m represented a growth of 71% over prior year 2014. The strong performance was in spite of the fact that the payment of the June 3, flood claims limited our ability to push more funds into investments.

Profit before tax was GHS 12.97m against GHS 11.84m in 2014 representing a growth of 10%. The marginal growth was largely due to a decrease in exchange gain over the two periods.

Total taxation (Corporate tax and National Fiscal Stabilization Levy) increased from GHS 3.53m in 2014 to GHS 3.73m. Profit after tax was GHS 9.24m.

Our sustained growth agenda gained momentum in 2015 even within the challenging environment in which we had to operate.

	2015 GHC'000	2014 GHC'000	% Growth
Gross Premium	100,996	70,399	43.46
Net Premium Written	66,323	45,645	45.30
Net Premium Revenues	57,281	47,623	20.28
Claims Incurred	(36,336)	(29,286)	24.07
Net commission Expense	(5,044)	(4,380)	15.16
Operating Expenses	(15,064)	(13,252)	13.67
Underwriting Profit	837	705	18.72

24.59% Gross Premium Growth **FIRE**

53.94% Gross Premium Growth **MOTOR**

2.5% Gross Premium Growth **MARINE**

21.58% Gross Premium Growth **GENERAL ACCIDENT**

Enterprise Insurance Company Limited Report *(continued)*

SUMMARY OF PERFORMANCE BY CLASS OF BUSINESS

Fire

The Fire Account contributed 24.59% to the total gross premium which amounted to a significant growth of 46.14% over the premium of 2014 from GHS 16.99 million to GHS 24.83 million in 2015. In spite of the growth, we realized an underwriting loss of GHS 7.44 million due to the 3rd June floods which hit the country.

Motor

With Motor still leading as the largest contributor to Gross Premium, the portfolio grew from GHS 33.68 million in 2014 to GHS 51.85 million in 2015 representing a growth of 53.94%. The portfolio recorded an underwriting profit of GHS 8.78 million in 2015 as against GHS 0.83 million in 2014, indicative of a 963.6% growth. The immense difference in profit was as a result of the increase in Motor Third Party Tariffs by the Ghana Insurers Association (GIA), as well as our prudence in handling claims.

Marine

The Marine Cargo portfolio also grew by 75.26% from GHS 1.44million in 2014 to GHS 2.52million in 2015. Marine contributed a marginal 2.5% to our total gross premium income. An underwriting profit of GHS 0.65 million was recorded, representing a growth of 1201.97% over 2014.

General Accident

The General Accident portfolio grew from GHS 18.28million in 2014 to GHS 21.79million in 2015. This portfolio contributed 21.58% to Gross Premium Income and a growth of 19.18%. An underwriting loss of GHS 1.16 million was recorded as compared to the underwriting loss of GHS 1.36million recorded in 2014.

Concluding Comments

I thank the Board of Directors for their invaluable guidance and direction.

To our valued clients and intermediaries whose trust in us continues to keep us in business, we are grateful for your custom and promise to remain at your service. We are committed to offering you the best of security to enable you concentrate on your core business.

I thank management and staff for their continued hard work and dedication to duty that enabled us deliver such remarkable top line results this year, in a very challenging business environment.

Kwame Ofori
Executive Director, Enterprise Insurance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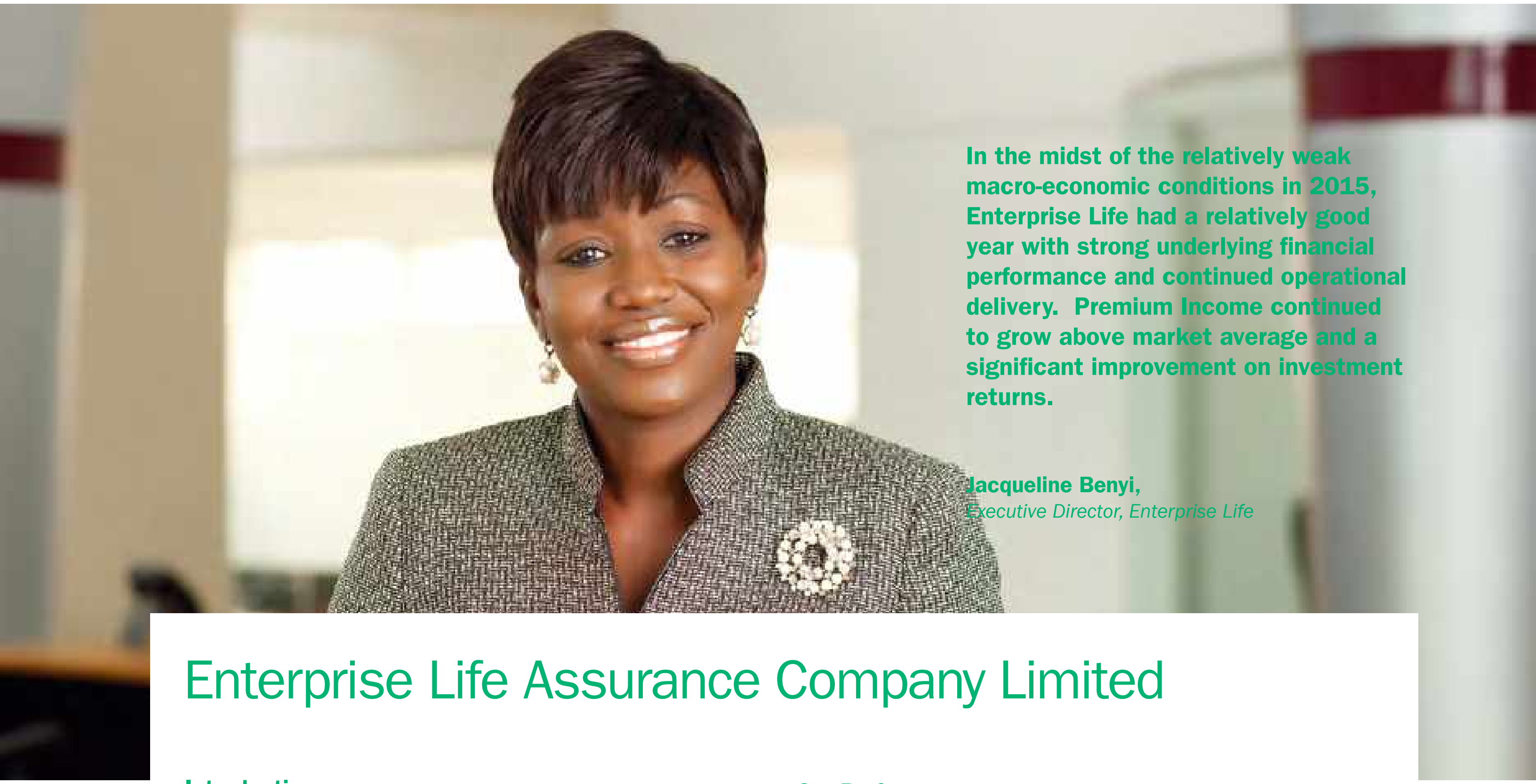


In the midst of the relatively weak macro-economic conditions in 2015, Enterprise Life had a relatively good year with strong underlying financial performance and continued operational delivery. Premium Income continued to grow above market average and a significant improvement on investment returns.

Jacqueline Benyi,
Executive Director, Enterprise Life

Enterprise Life Assurance Company Limited

Introduction

The economic environment did not see any shift from the challenged regime in the previous year.

Inflation continued to be high and coupled with increases in fuel and other utilities exerted pressure on incomes – a key driver of life insurance demand.

In spite of these challenges the life insurance sector of the Insurance Industry in Ghana continued to have healthy growth. In 2014 life sector contributed 46% of the insurance industry gross premium income and this is expected to improve to 48% in 2015 and drawing even in 2016.

Entry of new companies into the life industry continues but has seen a shift from foreign owned to locally owned companies. In 2015, 4 new companies started operations, all of them locally owned.

The regulatory environment has also been dynamic. The minimum capital for companies has been increased to GHS15m effective from 1st January 2016. The National Insurance Commission (NIC) is also poised to introduce the risk based supervision regime in 2016. This follows a workshop organized by the NIC for all Board of Directors during the year.

Our Performance

Year 2015 was a year of good growth for us. It was another year of above market growth. Our consistent above market growth over the years has seen us becoming the leading premium income earner in the industry.

At the 2015 GIPC Club 100 event we were ranked the leading company in the Insurance Sector and 15th overall in the Club 100.

For the first time we won the CIMG Radio Advert for the year based on our advertising campaign "Tomorrow is not promised – but Life goes on".

We had no fundamental shift in our strategy which remains clearly aligned to the key strategic pillars of the Enterprise Group.

Our key growth imperative are Gross Premium Income and Profitability with Cost Efficiency as the key driver.

Our lead strategic objective is still directed at creating a customer-centric environment relevant to our policyholders.

Enterprise Life Assurance Company Limited Report *(continued)*

26% PREMIUM INCOME

35% INVESTMENT INCOME

2% OPERATING PROFIT

29% TOTAL ASSETS

32% NET CASH GENERATED

Financial Results

In the midst of the relatively weak macro-economic conditions in 2015, Enterprise Life Assurance Company Limited and its Subsidiarise had a relatively good year with strong underlying financial performance and continued operational delivery. Premium Income continued to grow above the market average. Investment income also saw a significant improvement versus prior year. However, the impact of dwindling disposable incomes was evident in our Claims experience and policy lapses. Consequently, there was a huge spike in reserving which had a slowdown effect on profit before tax.

a. Net Premium

Net premium grew by 26% from GHS 156.31 million to GHS 196.43 million. This was influenced largely by a significant growth in Group premiums by 38%, thus improving Group premium contribution from 6.5% to 7.1% of total premiums. Additionally, contribution from our Gambia operation saw a modest improvement from 1.5% in 2014 to 1.7% in 2015.

Premium collection rates improved marginally from 76% to 78% in spite of difficulties experienced at some collection points.

The Compound Average Growth Rate (GAGR) over the 4 year period from 2011 is 34% compared to the Life Insurance market compound growth of 26% over the same period.

Enterprise Life Assurance Company Limited Report *(continued)*

b. Total Expenses:

Operating expenses for 2015 grew by 35% over 2014, moving from GHS 158.89 million to GHS 215.04 million. This was driven by a 48% increase in Actuarial Liability. Increasing levels of policy lapses had negative impact on overall file size. This ultimately affected unit cost, which in turn affected the levels of liability provisions. Secondly, Claims and Benefit payment soared from GHS 54.04 million to GHS 72.47 million which represents 34% increase. 65% of the claims experience resulted from partial encashment, full encashment and terminations. Operational expenses resulting from set up of Enterprise Funeral Services are part of our costs although the quantum is not material.

Even though total management expenses grew by 33% in 2015, Expense ratio, which is the relationship between premium income and management expenses and an efficiency measure was kept at 17% as was in 2014.

c. Investment Income

Even though the value of equity holdings declined significantly from GHS 55.36 million in 2014 to GHS 41.46, money market investments, and debt securities increased from GHS 177.42 million to GHS 255.17 million. The sharp decline in the value of equities was mainly due to the general decline in the GSE index. Increased values from money market investment resulted from additional cash injection and the higher yields averaging 26% during 2015.

Investment returns therefore improved form GHS 43.37 million in 2014 to GHS 58.76 million in 2015, a 35% increase.

d. Operating Profit:

Operating profit which was impacted negatively by the increasing levels of claims and actuarial liability, improved by 2% above 2014, from GHS 36.02 million to GHS 36.70 million. Underwriting loss however deteriorated to GHS 16.49 million from GHS 1.27 million in 2014.

Operating profit or loss recognizes contribution from policyholder investment returns while underwriting profit or loss excludes contribution from the policyholder investment returns.

e. Profit Before tax

Profit before tax declined marginally by 1% from GHS 41.05 million to GHS 40.71 million reflecting the increasing levels of claims payment and provision for policyholder liability. However, the 4 year CAGR to 2015 was healthy at 30% compared to the Life Insurance market of 22% over the same period.

f. Total Assets

Total assets moved from GHS 298.81 million in 2014 to GHS 385.29 million in 2015 representing a 29% increase. This was influenced largely by a 44% increase in value of short term investment as a result of both additional funds and return on investments.

g. Net Cash Generated

Net cash generated improved in 2015 with a 32% growth from GHS 30.38 million to GHS 40.36 million. This was a result of a 22% increase in interest received from investing activities.

Enterprise Life Assurance Company Limited Report *(continued)*

h. Value of New Business

On the back of a challenged environment and cost pressures, the value of new business improved from GHS 29.42 million in 2014 to GHS 30.09 million in 2015.

i. Embedded Value

The embedded value for 2015 saw a growth of 19% from GHS 227.15 million to GHS 270.20 million. This was driven largely by a 22% growth in the value of in-force business.

Individual Life Distribution

Our individual Life Operation contributed 90% of our gross premium income.

We have over the years evolved an effective distribution system which remains our competitive advantage.

During the year we considered proposals to review and enhance the model. The reviewed model will be fully implemented in 2016.

Technologically, we employed the use of a sales management portal to improve the management of our Sales Management Team.

We continued to grow our Agency channel with total manpower growing by 15% over the previous year. Furthermore, we extended our geographical footprints with the setting up of an additional branch in Kumasi and a sales office in Dansoman. Agency remains the dominant channel accounting for 67% of new business growth compared to 61% in 2014.

The Broker Channel maintained its share of new business at 17%. During the period also we signed two new broker contracts (Functions and GBL).

The Bancassurance Channel as compared to prior year saw a decline losing some of its share of new business to the Agency Channel.

Our relationship with our bancassurance partners, Barclays Bank and Standard Chartered Bank, continues to be strong. Within the period, there was significant growth in premium income as compared to the prior year by 41%.

Customer Service lies at the heart of our Life business and not surprisingly has been our main strategic thrust over the past 3years. During the year, we created a senior role on the management team for customer service, reviewed and re-launched our Customer Service Charter and also introduced the Net Promoter Score as an objective and independent measure of the quality of service delivery.

Group Life Operations

Our partnership with Microensure, an insurance intermediary specializing in micro insurance, continued to grow.

The objective of the partnership remains the informal market with the Micro Finance Institutions as the channel to reach that market.

Additionally, during the year the Airtel Scheme, brokered by Microensure evolved from a loyalty scheme to a paid scheme enabling subscribers to increase their cover and benefit levels.

Our footprints in the corporate market also grew through a 38% increase in net premium income. But it still remains a marginal business contributing just 10% of our Gross Premium Income.

Subsidiaries

Enterprise Life Gambia continues to dominate the local life industry being the fastest growing and the pacesetter. The company grew net premium income by 13% and profit before tax by 12%.

As part of efforts to give the company a local flavor, 25% of shares were off loaded to The Trust Bank of Gambia, which is the leading bank in the country.

Enterprise Funeral Services Company did not start operations as we envisaged. This was due to almost 6months suspension of developmental work on the hub at Haatso due to an injunction application served by the Residents Association.

The application was however thrown out by the courts confirming that we followed due process and had valid and legal rights to continue with the project.

We now expect to start operations during Q3 of 2016.

Enterprise Life Assurance Company Limited Report *(continued)*

Management Appointments

As part of our strategic direction towards improving our service delivery, we created a Senior Manager, Customer Service position. This initiative was to make customer service prominent and visible at the very top.

Ms. Rabiatu Brimah was appointed to the position. She has had 15years experience in Customer Service in a banking environment which we find relevant for us.

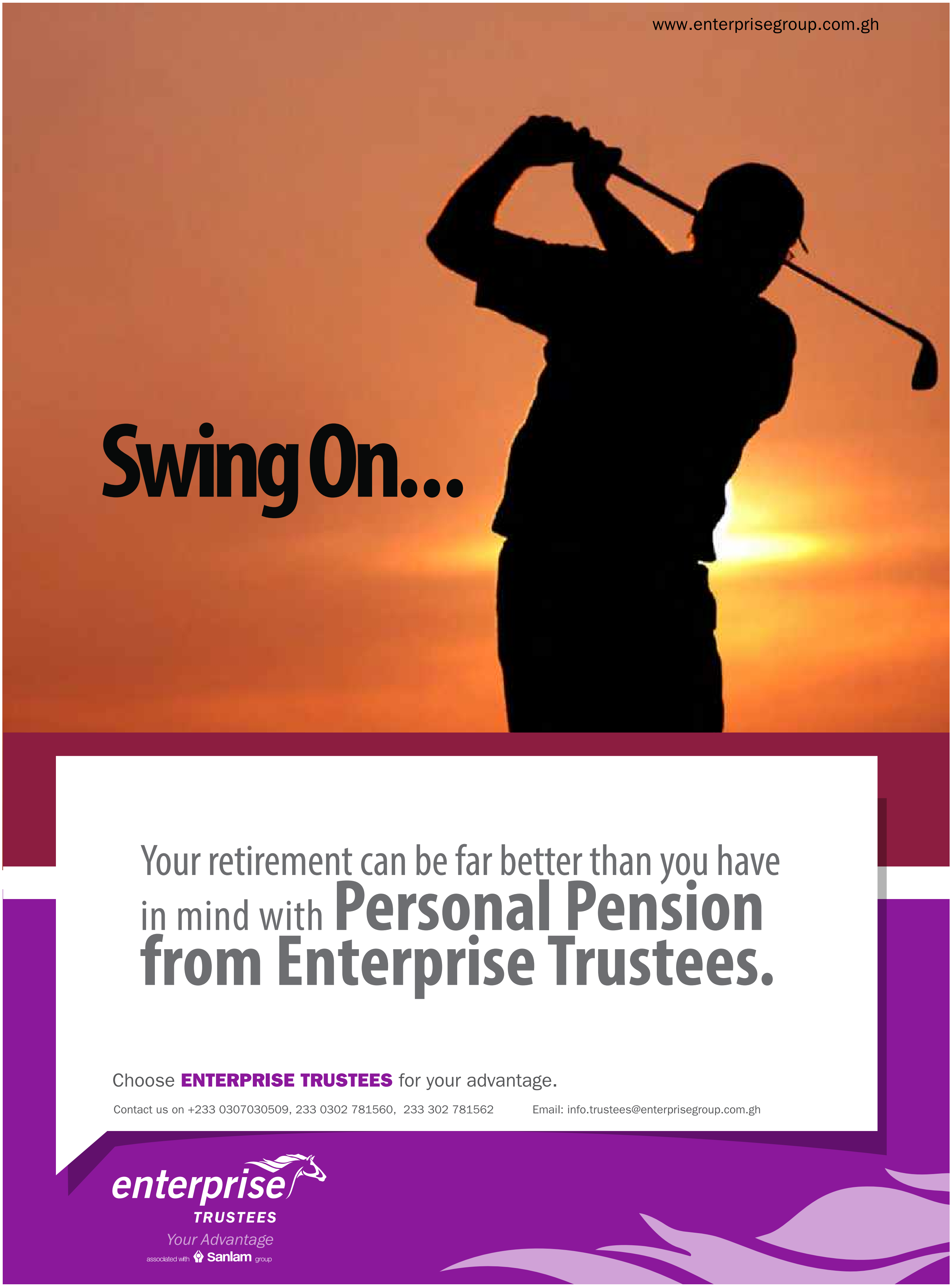
Mr. Bernard Mensah was also appointed to fill the Senor Manager, Technical Life Administration position which was made vacant through the resignation of the incumbent. Bernard has been with the company since 2008 and previously served as the head of department for Quality Control, IT, Bancassurance – Barclays and Premium Administration.

Looking forward to 2016

We will continue with our growth agenda knowing very well the potential of Life Assurance in the country.

In 2016 we will pursue entry into the High Net Worth market which will be the beginning of a market segmentation plan.

Jacqueline Benyi,
Executive Director, Enterprise Life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We improved our internal processes by restructuring our operations to deliver more timeously month end validations for contributions to enhance the payment cycle experience. This greatly impacted on the contribution collections for 2015 and would certainly peak even higher going forward.

Joseph Ampofo
General Manager, Enterprise Trustees

Enterprise Trustees Limited

Introduction

It is my pleasure to present to you Enterprise Trustees operational activities and performance for the year ended 2015. The year 2015 was a challenging period for many businesses in Ghana. The energy crisis and the cedi depreciation impacted negatively on cost and profitability of businesses in general. The impact of this on Employers was significant, causing most to downsize their operations whilst a few folded up. The unfavorable macro economic indicators contributed to significant benefit payment as members withdrew contributions under Tier 3, to meet immediate growing cost of living they faced, thereby reducing their future retirement payout. Despite the challenging environment as stated Enterprise Trustees was able to deliver a strong financial result to shareholders.

Strategic Objectives

We pursued our three key objectives aligned to the overall Group strategy of excellent service delivery, people development and business growth. During the year under review, we launched a customer enthusiasm survey to help us gauge the service delivery strategic thrust. The information derived had been fed into the business model which will yield dividend in the ensuing years.

Some senior management had interaction with the Sanlam Employee benefits team to further develop and deepen expertise from our business partner, Sanlam in South Africa. In pursuit of business growth and client retention, stakeholder forums were organized across the regions to strengthen our relationship.

The Industry & Regulatory Changes

The National Pensions Regulatory Authority (NPRA) commenced its sanction regime in October 2015, and reiterated the need for full compliance within the industry. Enterprise Trustees has put in place measures to ensure full compliance to all regulatory requirements.

More operating licenses were issued increasing the number of industry players as depicted in the table below:

SERVICE PROVIDERS	2015	2014	2013
Corporate Trustees	**27**	25	21
Fund Managers	**66**	50	45
Custodians (Banks)	**17**	16	15

Enterprise Trustees Limited Report *(continued)*

The number of service providers particularly Fund Managers grew by 32% and that was evident as we received many applications to be considered as Fund Manager Advisors on our schemes.

The NPRA began ranking Corporate Trustees as part of providing industry statistics. Enterprise Trustees was ranked number one in terms of Assets under Management with about 25% of market share as at mid-year of 2015, this largely for the private sector business.

In the last quarter of 2015, NPRA began release of the funds in the Temporary Pension Fund Account (TPFA) held at the Bank of Ghana. As at the end of 2015, a total of 12 Schemes out of over 100 Schemes, had received funds totaling GHS 193 million. Enterprise Trustees received GHS 52.4 million for 766 of our Employers under one of our schemes. The NPRA has set forth a program to pay out all the funds by June 2016 which is in the region of about GHS 2 billion for both public and private sector employees.

There still remain between 35,000 to 40,000 employers to sign on to pension schemes. The NPRA, working together with key industry players, has put in place mechanisms to enroll such employers under a program tagged Employers without Schemes (EWS). Enterprise Trustees has commenced work on its portion of the EWS. An interesting characteristic revealing itself during this exercise is that these are small Employer holdings with less than 10 staff enrolled.

Innovation

In a bid to preserve the retirement savings of Tier 3 clients as well as helping members meet short term needs, a quick fix loan product in partnership with a third party has been rolled out. This is first in line of such third party partnerships we intend to deploy going forward.

The Enterprise Personal pension product was introduced in the last quarter of the year to provide additional savings alternative to members as this has a tax incentive to it by law.

We improved our internal processes by restructuring our operations to deliver more timeously month end validations for contributions to enhance the payment cycle experience. This greatly impacted on the contribution collections for 2015 and would certainly rise even higher going forward.

Members of our various schemes both Employer & Employees interact with us largely through the member's portal via our website, and this also saw a further upgrade to provide members with enhanced experience.

Financial performance

In 2015, Enterprise Trustees continued to deliver a strong financial performance within the growing private Pensions space. This is evidenced by a profit before tax of GHS 1.204 million for 2015 compared to GHS 207k the previous year. This was mainly driven by increased fee income in 2015 of GHS 4.47 million, representing a growth of 96% over the prior year income of GHS 2.28 million. Assets under Management as at the end of the period under review was GHS 649 million, a 92% increase over prior year's GHS 338 million.

Outlook 2016

Our strategic objectives for 2016 will remain unchanged and we will continue to improve our service delivery through technology and continuously seek to develop our staff to deliver quality services across the business. Growth through business retention and introduction of new innovative products to existing and potential clients will engage our attention.

On behalf of the Board, I would like to thank our cherished clients for the continued loyalty and belief in us to provide the advantage in pension's administration they seek.

I wish to acknowledge the contribution of the Board, Management and staff to our performance and look forward to their continued support, to enable us deliver even better results in 2016.

Joseph Ampofo
General Manager, Enterprise Trustees

Convenience is an Advantage

The Enterprise Market is a state-of-the-art service center offering Insurance, Pensions and funeral products all under one roof. Our services transition seamlessly across **General Insurance, Life, Pensions** and **Funeral Services**, giving you the ultimate one-stop shop convenience.

enterprise INSURANCE Your Advantage associated with Sanlam group
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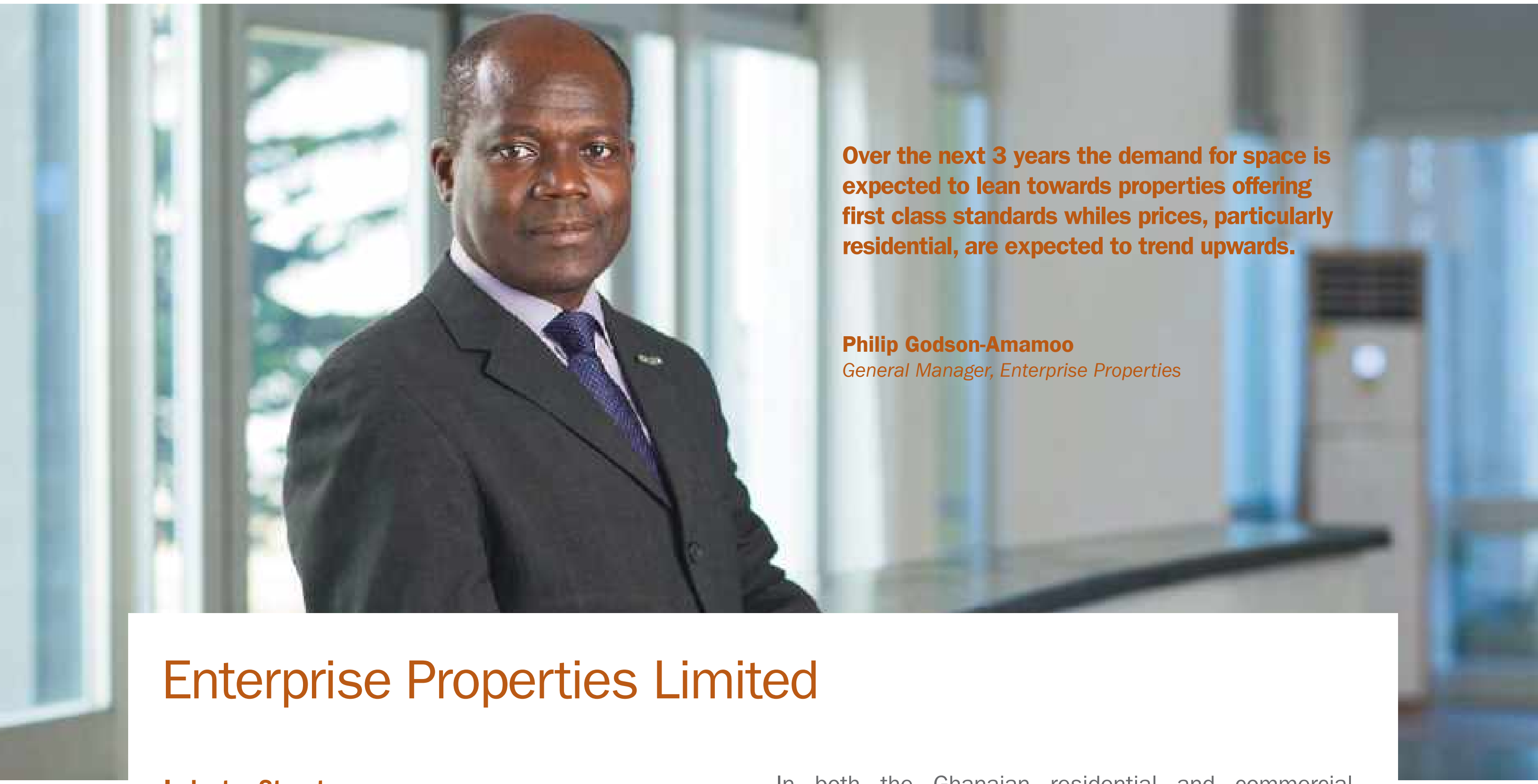


Over the next 3 years the demand for space is expected to lean towards properties offering first class standards whiles prices, particularly residential, are expected to trend upwards.

Philip Godson-Amamoo
General Manager, Enterprise Properties

Enterprise Properties Limited

Industry Structure

A World Property Journal report reveals that sustained economic and demographic growth in Sub-Saharan Africa [SSA] countries are combining to create urban markets of global scale which is generating a need for significant investment in the region's urban infrastructure. As demand from corporations and consumers for modern office, retail and commercial infrastructure increases; SSA is entering a high-growth period of development. The regional fund platforms and international investors making their first acquisitions in SSA are targeting core locations and sectors (office and retail) in the commercial capitals that have scale and growth potential. Over time, as markets mature, it is anticipated that these groups will broaden their search.

The top 5 markets in SSA showing greatest improvements in transparency are; South Africa, Zambia, Nigeria, Ghana and Kenya. Ghana though has lacked the scale to attract major investments. Ghana faces other challenges such as lack of liquidity and short term uncertainties which deter investors with limited appetite for risk.

In both the Ghanaian residential and commercial property market, there has been a trend towards a stabilization in rental prices. Over the next 3 years the demand for space is expected to lean towards properties offering first class standards whiles prices, particularly residential, are expected to trend upwards. This is due to the ever increasing demand for home ownership albeit in homes that are detached, semi-detached or town houses as against residential apartments which we anticipate will begin to see a gradual diminution in rental rates as supply begins to outstrip demand.

Other short term uncertainties especially fiscal policy rates and monetary policies such as introduction of value added taxes on rents, increased withholding taxes, and new property laws, may slow the growth in new developments.

Business Analysis

The thrust of our activities in 2015 has been a focus on actively completing our office complex project on the 7th Avenue at Ridge West, in Accra. The project, called 'Advantage Place', will be completed by the end of the year 2016. As at date of report, over 70% of the work has been completed.

Enterprise Properties Limited Report *(continued)*

EPL continues to provide all real estate services to members of the Group. This service continues to improve with the introduction of clearly defined mandates and service level agreements. Services provided include lease negotiations for branch space, property acquisitions, refurbishments, renovations and the optimization of office space utilization.

The first one-stop shop for the Group, known as the 'Enterprise Market' was successfully designed, constructed and piloted at the Head office location of the Group. We intend to progressively replicate this concept across the country over time.

We have also been instrumental in the implementation of policies for safety, disaster recovery, fire drills and evacuation methodologies and most importantly evolving the Group policies on real estate development. Other major work-in-progress activities include the development of our Funeral Services Home in Haatso, a suburb of Accra and a mixed used complex in Takoradi.

Outlook

It is an exciting time for the real estate sector. Private capital is in demand for development and investment, yet competition for prime assets is intense.

We continue to be optimistic about our company's future. The growing potential for quality commercial space and a broadening of the middle class for residential property, support this view.

Philip Godson-Amamoo
General Manager, Enterprise Properties

Corporate Governance Statement

Introduction

The Boards of Directors of Enterprise Group Limited and its subsidiary companies 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 them 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 to ensure the reliability of the Financial Statements.

The Boards of Directors

The Boards of Directors of Enterprise Group and its subsidiary companies together with 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 Directors of Enterprise Group currently comprises of five Non-Executive Directors (one of whom is the Chairman), the Group Chief Executive Officer and the Executive Director, Finance. The members are highly qualified and experienced in both managerial and their distinctive fields of specialisation.

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 three main Committees: the Audit Committee, the Joint Human Resources Committee and the Strategy & Investment Committee.

Audit Committee

The Audit Committee's mandate is to review and report to the main 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.

The members of the Committee are:

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

The Committee met four times during 2015.

Human Resources Committee

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

The members of the Committee are:

Ms. Gloria Akuffo	- Chairperson
Keli Gadzekpo	- Member
Emmanuel Idun	- Member
Trevor Trefgarne	- Member
Mrs. Margaret Dawes	- Member

The Committee met four times during 2015.

The heads of the operating subsidiaries attend each Committee meeting.

Strategy & Investment Committee

The Strategy & Investment Committee provides strategic direction for the attainment of the Group's Corporate Vision and Objectives through growth and development. It also identifies and prioritises investment opportunities to deliver the Group's targets. .

The members of the Committee are:

Keli Gadzekpo	- Chairman
Trevor Trefgarne	- Member
Emmanuel Idun	- Member
George Otoo	- Member
CC Bruce (Jnr)	- Member

The Committee met four times during 2015.

Corporate Governance Statement *(continued)*

Executive Appointments

Group Chief Operations Officer

With effect from 1 January, 2016 the Group introduced the role of Group Chief Operations Officer and appointed Mr. CC Bruce, hitherto the Executive Director, Enterprise Life, to the position.

Among other things, this role will supervise the operations of the subsidiaries.

Group Chief Financial Officer

Mr. Daniel Larbi-Tieku was appointed as Group Chief Financial Officer with effect from 1 April, 2016. Prior to his appointment, Mr. Larbi-Tieku was the General Manager, Finance of Enterprise Life.

The Group's Subsidiaries

The Group has four operating subsidiaries, namely:

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

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

The roles of Chairman and Executive Director/General Manager in the subsidiaries are separate and do not vest in the same person. Each Chairman is a Non-Executive Director.

To ensure effective control and monitoring of the business of the subsidiary insurance companies, the Boards of Enterprise Life and Enterprise Insurance have two main committees: the Audit Committee and the Strategy & Operations Committee. Enterprise Life also has an Investment Committee.

Enterprise Trustees established an Audit Committee during the year.

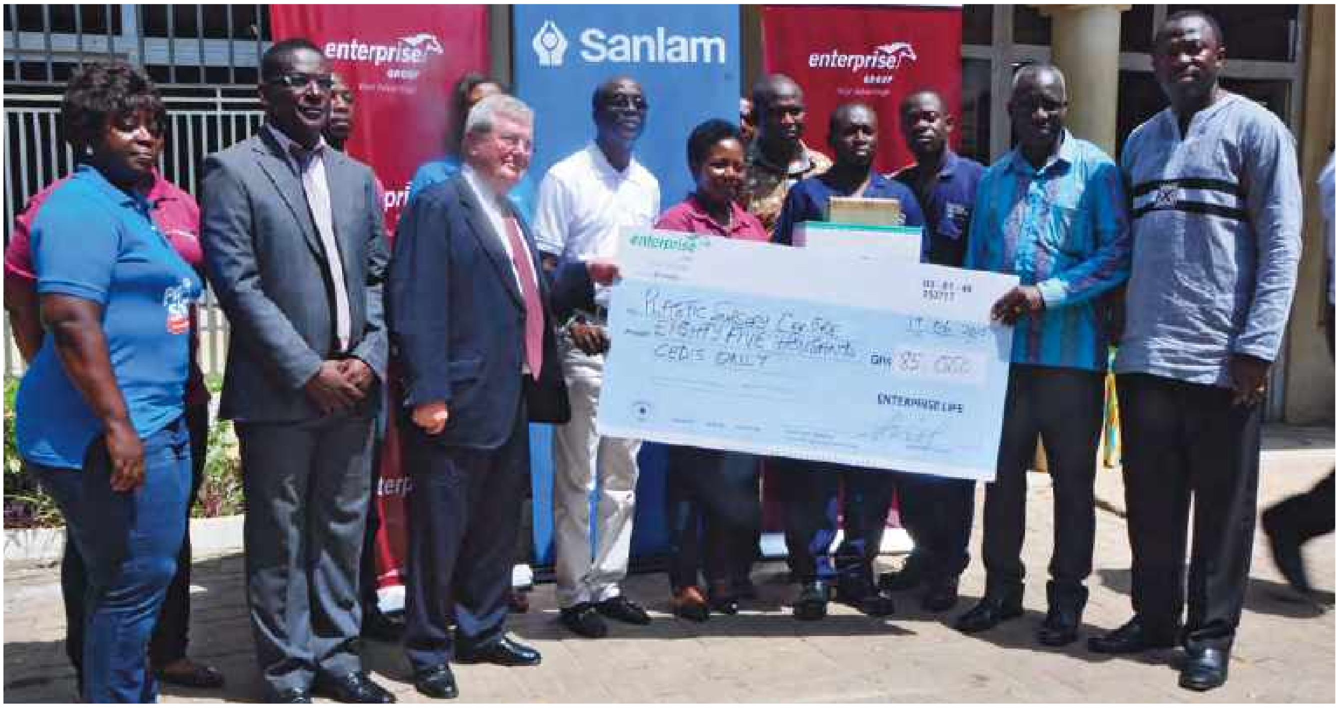
Enterprise Funeral Services, a subsidiary of Enterprise Life, is yet to start operations.

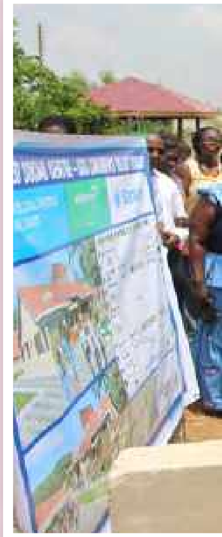
A shareholder of Enterprise Group, registering for the AGM.

An important contribution,by a shareholder of Enterprise Group.

Shareholders, Management and Staff of Enterprise Group interacting after an Annual General Meeting.

Enterprise Group donation of Eighty-Five Thousand Ghana Cedis (GHS85,000.00) to the Plastic Surgery and Burns Centre at the Korle-Bu Teaching Hospital.





The donation of a dialysis machine to the Police Hospital Dialysis Centre to support patients undergoing treatment.

The presentation of a Cheque worth Ghs67,600 to the leadership of the Police Hospital for the purchase of a dialysis machine

The Princess Louis Marie Children's hospital in Accra also benefited through the donation of an oxygen extractor to assist children who had breathing challenges at the hospital.

Corporate Social Responsibility

Enterprise Group continues to position itself well in the area of corporate social responsibility. For the Group, corporate social initiatives are clear indications of its commitment to positively impact the communities in which it operates by giving "an advantage" to all stakeholders. This is critical for all our businesses and in line with our corporate Values of **"Friendliness, Professionalism, Reliability, Excellence and Trust"**. The focus of our community activities have been mainly in the areas of health and education.

In 2015, the Group together with its subsidiaries undertook major projects in the area of health. It is important to note that sustainability is a key consideration with regards to the projects undertaken.Notable among them were:

- The donation of a dialysis machine to the Police Hospital Dialysis Centre to support patients undergoing treatment. This was in response to the alarming statistics with regards to the increasing number of people with kidney diseases in Ghana. Providing this equipment has contributed immensely to treatment for these patients.
- Following the June 3rd 2015 fire and flood disaster, which left a number of people homeless and many injured and hospitalized in Accra, Enterprise Group responded by making a donation to the Plastic Surgery and Burns Centre at the Korle-Bu Teaching Hospital. The donation of Eighty-Five Thousand Ghana Cedis (GHS85,000.00) was used cater for the immediate health care needs of the injured hospitalized and also to purchase an "Infusion Pump" which was required for treatment at the Centre. This donation reinforced our values of "friendliness" by responding to the needs of our community in difficult times and demonstrated that "we care"; as well as "Trust" to our stakeholders that we remain resolute in our promise to give them an advantage in life.
- Employees of the Group who were also affected by the flood were equally supported.
- The Princess Louis Marie Children's hospital in Accra also benefitted through the donation of an oxygen extractor to assist children who had breathing challenges at the hospital.
- The employees of Enterprise Group made a donation of sanitary items to the children's ward of the Psychiatric Hospital in Accra.
- In partnership with MOMIC students association of the University of Ghana Medical School, Enterprise supported the refurbishment of the playroom of the psychiatric centre at Korle-Bu.

Educational projects undertaken included the following:

- In partnership with Zawadi Africa, an NGO supporting brilliant but needy girls in education, the Group supported two young adults to pursue tertiary education at the Kwame Nkrumah University of Science and Technology. These young people per the programme, become "Enterprise Ambassadors" and obtain tertiary education which they would otherwise have missed as a result of financial challenges.
- University of Ghana Medical Students Exchange Programme was also supported.
- As part of an employee volunteering initiative, the staff of Enterprise Life spent a day with the pupils of Tinkong Presbyterian School near Koforidua, where they engaged them in reading and other sporting and fun activities; as well as donating school bags filled with school items for their use.
- For the third time, Enterprise Life together with its partner Sanlam, sponsored a Ghanaian economic journalist to the Summer School for Economic Journalists this year. The benefits of this development initiative is to ensure responsible reporting on economic issues in Ghana.

A major developmental initiative which was undertaken as a way of giving back to society this year was the SOS project. In partnership with Sanlam, Enterprise Life and Enterprise Group in 2015 began the construction of a GH¢435,000.00 social centre for the SOS village in Asokore Mampong in the Ashanti Region. This is an 18 month project which is planned for completion in March 2016. This community centre will serve the village and also be used to generate income to support the activities of the SOS village.

It is noteworthy that the social initiatives within the year has been spread across the regions of Ghana to ensure that all stakeholders benefit from them. Our projects have inspired trust and offered the desired advantage for all who come into contract with the brand "Enterprise".

We look forward to years ahead where we will continue to deepen our relationships with our stakeholders through long-term sustainability initiatives that gives visibility and drives business performance.

The sod cutting ceremony for the construction of a community center in the SOS Village,Kumasi.

The official presentation of a Cheque worth Ghs 435,000 to SOS Ghana ,for the construction of a community centre.

As part of an employee volunteering initiative, the staff of Enterprise Life spent a day with the pupils of Tinkong Presbyterian School near Koforidua.

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2015, in accordance with the Companies Act, 1963 (Act 179) which discloses the state of affairs of the Company and its subsidiaries (together the "Group").

1. Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the statement of profit or loss and statement of cash flows for the Group for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 1963 (Act 179).

The directors are responsible for ensuring that the Group keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group. The directors are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. Principal activities

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

3. Results and dividend

The directors in submitting to the shareholders the financial statements of the Company and the Group for the year ended 31 December 2015 report as follows:

	The Company GH¢'000	The Group GH¢'000
Profit for the year before income tax of	14,151	59,041
from which is deducted an income tax expense and national fiscal stabilisation levy of	(874)	(7,474)
giving a profit for the year of	13,277	51,567
from which is made a transfer to non-controlling interest of	-	(23,995)
and contingency reserves of	-	(3,030)
giving a profit for the year attributable to owners of the Company of	13,277	24,542
to which is added balance on the income surplus account brought forward of	74,730	129,592
giving a total of	88,007	154,134
out of which is deducted a final dividend paid for 2014 of	(3,303)	(3,303)
leaving a surplus carried forward on income surplus account of	84,704	150,831

Keli Gadzekpo
Group Chief Executive Officer
31 March 2016

Martin Eson-Benjamin
Director

Report of the Independent Auditor to the Members of Enterprise Group Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Enterprise Group Limited (the "Company") and its subsidiaries (together, the "Group"), as set out on pages 36 to 90. These financial statements comprise the statement of financial position of the Group as at 31 December 2015, and the income statement, statement of comprehensive income, statement of changes in equity and the statement of cash flows of the Group for the year then ended, together with the statement of financial position of the company standing alone as at 31 December 2015, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the company standing alone for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2015 and of the financial performance and cash flows of the Company and the Group for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii) the group's balance sheet (group's statement of financial position) and group's profit and loss account (group's income statement) are in agreement with the books of account.

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2016/028)
Chartered Accountants
Signed by: Oseini Amui (ICAG/P/1139)
Accra, Ghana
31 March 2016

pwc

Statement of Financial Position

(All amounts are in thousands of Ghana cedis)

		As at 31 December			
		The Company		The Group	
	Note	2015	2014	2015	2014
ASSETS					
Property and equipment	5	**897**	473	**29,456**	17,160
Intangible assets	6	**-**	-	**302**	311
Investment properties	7	**-**	-	**130,993**	82,339
Investments in subsidiaries	8	**30,562**	30,562	**-**	-
Deferred income tax assets	20	**2,697**	2,566	**3,906**	3,376
Investment securities	9	**16,496**	19,929	**367,117**	281,762
Loans and receivables	10	**14**	28	**15,284**	6,216
Due from re-insurers	11	**-**	-	**28,717**	5,378
Due from related parties	22	**59,232**	17,695	**-**	-
Current income tax assets	27	**-**	-	**230**	596
Cash and bank balances	12	**15,151**	39,515	**57,445**	88,813
Total assets		**125,049**	110,768	**633,450**	485,951
EQUITY AND LIABILITIES					
Capital and reserve					
Stated capital	13	**35,920**	33,169	**35,920**	33,169
Contingency reserve	14	**-**	-	**18,830**	15,800
Currency translation reserve	15	**-**	-	**810**	207
Share option reserve	33	**518**	407	**518**	407
Income surplus account	16	**84,704**	74,730	**150,831**	129,592
Non-controlling interest	8	**-**	-	**69,228**	44,118
Total equity		**121,142**	108,306	**276,137**	223,293
Liabilities					
Deferred income tax liabilities	20	**-**	-	**11,606**	11,631
Life fund – insurance contract liabilities	17	**-**	-	**264,557**	195,238
Unearned premiums and unexpired risk provision	18	**-**	-	**24,560**	15,518
Outstanding claims	19	**-**	-	**4,181**	5,822
Trade and other payables	21	**2,902**	2,462	**32,156**	22,045
Due to re-insurers	11	**-**	-	**13,073**	5,609
Due to related parties	22	**-**	-	**5,901**	5,118
Current income tax liabilities	27	**1,005**	-	**1,279**	1,677
Total liabilities		**3,907**	**2,462**	**357,313**	**262,658**
Total equity and liabilities		**125,049**	**110,768**	**633,450**	**485,951**

The notes on pages 43 to 90 are an integral part of these financial statements.

The financial statements on pages 36 to 90 were approved for issue by the board of directors on 31 March 2016 and signed on its behalf by:

Keli Gadzekpo
Group Chief Executive Officer

Martin Eson-Benjamin
Director

Income Statement

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December			
		The Company		The Group	
	Note	2015	2014	2015	2014
Investment income	23	**13,091**	76,777	**64,299**	50,876
Fair value gains on investment properties	7	**-**	-	**10,687**	23,641
Net investment income		**13,091**	76,777	**74,986**	74,517
Gross insurance premium revenue		**-**	-	**304,446**	228,745
Insurance premium ceded to reinsurers		**-**	-	**(41,692)**	(26,792)
Net premium written	29	**-**	-	**262,754**	201,953
Change in unearned premium	18	**-**	-	**(9,042)**	1,979
Net insurance premium revenue		**-**	-	**253,712**	203,932
Other income	24	**10,303**	2,373	**20,607**	9,925
Net income		**23,394**	79,150	**349,305**	288,374
Insurance claims incurred	19	**-**	-	**(196,007)**	(84,769)
Insurance claims recoveries from reinsurers	19	**-**	-	**87,205**	1,442
Change in insurance contract liabilities – life fund	17	**-**	-	**(69,319)**	(46,594)
Net benefits and claims		**-**	-	**(178,121)**	(129,921)
Operating expenses	25	**(9,243)**	(9,436)	**(70,073)**	(53,896)
Commission expense		**-**	-	**(42,070)**	(34,976)
Net expenses		**(9,243)**	(9,436)	**(290,264)**	(218,793)
Profit before national fiscal stabilisation levy and income tax		**14,151**	69,714	**59,041**	69,581
National fiscal stabilisation levy	26	**-**	-	**(2,743)**	(2,750)
Income tax expense	27	**(874)**	(8,273)	**(4,731)**	(5,533)
Profit for the year		**13,277**	61,441	**51,567**	61,298
Attributable to:					
Owners of the parent		**13,277**	61,441	**27,572**	37,994
Non-controlling interest	8	**-**	-	**23,995**	23,304
Earnings per share for profit attributable to the equity holders of the Company during the year					
Basic (GH¢ per share)	32	**0.100**	0.466	**0.207**	0.288
Diluted (GH¢ per share)	32	**0.098**	0.459	**0.204**	0.284

The notes on pages 43 to 90 are an integral part of these financial statements.

Statement of Comprehensive Income

(All amounts are in thousands of Ghana cedis)

	Year ended 31 December			
	The Company		The Group	
	2015	2014	2015	2014
Profit for the year	**13,277**	61,441	**51,567**	61,298
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Currency translation difference	**-**	-	**1,718**	245
Total comprehensive income for the year	**13,277**	61,441	**53,285**	61,543
Attributable to:				
Owners of the parent	**13,277**	61,441	**28,175**	38,119
Non – controlling interest	**-**	-	**25,110**	23,424
Total comprehensive income for the year	**13,277**	61,441	**53,285**	61,543

The notes on pages 43 to 90 are an integral part of these financial statements.

Statement of Changes In Equity

(All amounts are in thousands of Ghana cedis)

THE COMPANY	Stated capital	Income surplus account	Share option scheme	Total
Year ended 31 December 2015				
At start of year	33,169	74,730	407	**108,306**
Profit and total comprehensive income for the year	-	13,277	-	**13,277**
Transactions with owners recognised directly in equity				
Dividend:				
- Final dividends paid for 2014	-	(3,303)	-	**(3,303)**
Share option scheme:				
- Value of employee services (Note 33)	-	-	977	**977**
- Transfer to stated capital for share options exercised (Note 13)	866	-	(866)	**-**
- Proceeds from issue of ordinary shares (Note 13)	1,885	-	-	**1,885**
Total transactions with owners recognised directly in equity	2,751	(3,303)	111	**(441)**
At end of year	**35,920**	**84,704**	**518**	**121,142**
Year ended 31 December 2014				
At start of year	31,599	41,645	545	73,789
Profit and total comprehensive income for the year	-	61,441	-	61,441
Transactions with owners recognised directly in equity				
Dividend:				
- Final dividends paid for 2013	-	(3,295)	-	(3,295)
- Interim dividends paid for 2014	-	(25,061)	-	(25,061)
Share option scheme:				
- Value of employee services (Note 33)	-	-	1,239	1,239
- Transfer to stated capital for share options exercised (Note 13)	1,377	-	(1,377)	-
- Proceeds from issue of ordinary shares (Note 13)	193	-	-	193
Total transactions with owners recognised directly in equity	1,570	(28,356)	(138)	(26,924)
At end of year	33,169	74,730	407	108,306

The notes on pages 43 to 90 are an integral part of these financial statements.

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Statement of Changes in Equity – The Group

(All amounts are in thousands of Ghana cedis)

Year ended 31 December 2015	Attributable to owners of the Company						
	Stated capital	Income surplus account	Currency translation reserve	Share option scheme	Contingency reserve	Non controlling interest	Total equity
At 1 January 2015	33,169	129,592	207	407	15,800	44,118	**223,293**
Profit for the year	-	27,572	-	-	-	23,995	**51,567**
Other comprehensive income:							
Foreign currency translation difference	-	-	603	-	-	1,115	**1,718**
Total comprehensive income	-	27,572	603	-	-	25,110	**53,285**
Transfer to contingency reserve	-	(3,030)	-	-	3,030	-	**-**
Transactions with owners recognised directly in equity:							
Dividend:							
Final dividend for 2014	-	(3,303)	-	-	-	-	**(3,303)**
Interim dividend for 2015	-	-	-	-	-	(10,780)	**(10,780)**
Share option scheme:							
Value of employee services	-	-	-	977	-	-	**977**
Transfer to stated capital for share options exercised (Note 13)	866	-	-	(866)	-	-	**-**
Proceeds from issue of ordinary shares (Note 13)	1,885	-	-	-	-	-	**1,885**
Transfer to non-controlling interest	-	-	-	-	-	10,780	**10,780**
Total transactions with owners recognised directly in equity	2,751	(3,303)	-	111	-	-	**(441)**
At 31 December 2015	**35,920**	**150,831**	**810**	**518**	**18,830**	**69,228**	**276,137**

The notes on pages 43 to 90 are an integral part of these financial statements.

Statement of Changes in Equity – The Group

(All amounts are in thousands of Ghana cedis)

Year ended 31 December 2014	Attributable to owners of the Company							
	Stated capital	Income surplus account	Revaluation reserve	Currency translation reserwve	Share option scheme	Contingency reserve	Non controlling interest	Total equity
At 1 January 2014	31,599	59,257	9,241	82	545	14,532	19,896	135,152
Profit for the year	-	37,994	-	-	-	-	23,304	61,298
Other comprehensive income:								
Foreign currency translation difference	-	-	-	125	-	-	120	245
Total comprehensive income	-	37,994	-	125	-	-	23,424	61,543
Transfer to contingency reserve		(1,268)	-	-	-	1,268	-	-
Transfer to income surplus	-	9,241	(9,241)	-	-	-	-	-
Transactions with owners:								
Value of employee services	-	-	-	-	1,239	-	-	1,239
Issue of ordinary shares (Note 13)	1,570	-	-	-	(1,377)	-	-	193
Final dividend for 2013	-	(3,295)	-	-	-	-	(3,920)	(7,215)
Interim dividend for 2014	-	(25,061)	-	-	-	-	(4,900)	(29,961)
Total contributions by and distributions to owners of the parent, recognised directly in equity	1,570	(28,356)	-	-	(138)	-	(8,820)	(35,744)
Sale of interest to non-controlling interest (Note 34)	-	60,773	-	-	-	-	4,695	65,468
Tax on gain on partial disposal of subsidiary (Note 27)	-	(8,049)	-	-	-	-	-	(8,049)
Non-controlling interest capital contribution in subsidiary	-	-	-	-	-	-	4,923	4,923
Total changes in ownership interests in subsidiary that do not result in a loss of control	-	52,724	-	-	-	-	9,618	62,342
Total transactions with owners recognised directly in equity	1,570	24,368	-	-	(138)	-	798	26,598
At 31 December 2014	33,169	129,592	-	207	407	15,800	44,118	223,293

The notes on pages 43 to 90 are an integral part of these financial statements.

Statement of Cash Flows

(All amounts are in thousands of Ghana cedis)

		Year ended 31 December			
		The Company		The Group	
	Note	2015	2014	2015	2014
Cash flows from operating activities					
Cash used in from operations	30	(38,703)	(14,964)	(5,711)	(23,618)
Investment income received		13,721	22,435	66,917	52,384
Current income tax paid	27	-	(8,049)	(5,318)	(11,948)
National fiscal stabilisation levy paid	26	-	-	(3,790)	(1,587)
Net cash (used in)/generated from operating activities		(24,982)	(578)	52,098	15,231
Cash flows from investing activities					
Proceeds from partial disposal of subsidiaries	34	-	65,468	-	65,468
Purchases of property and equipment	5	(685)	(321)	(11,917)	(12,080)
Proceeds from sale of property and equipment	5	-	-	178	95
Purchase of intangible assets	6	-	-	(24)	(311)
Capital contribution in subsidiaries		-	(8,368)	-	-
Net cash (used in)/generated from investing activities		(685)	56,779	(11,763)	53,172
Cash flow from financing activities					
Dividends paid	28	(3,303)	(28,356)	(10,780)	(37,176)
Proceeds from issue of ordinary shares	13	1,885	193	1,885	193
Proceeds from issue of shares in subsidiary to non-controlling interest		-	-	-	4,923
Net cash used in financing activities		(1,418)	(28,163)	(8,895)	(32,060)
Net (decrease)/increase in cash and cash equivalents		(27,085)	28,038	31,440	36,343
Cash and cash equivalents at beginning of year	12	54,618	26,580	173,969	137,626
Cash and cash equivalents at end of year	12	27,533	54,618	205,409	173,969

The notes on pages 43 to 90 are an integral part of these financial statements.

Notes

1. General information

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

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

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

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRS Interpretations Committee (IFRIC) interpretations applicable to Companies reporting under IFRS and the requirements of the Companies Act, 1963 (Act 179). The financial statements have been prepared under the historical cost conversion, as modified for investment properties, insurance contract liabilities and financial assets held at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Ghana Cedi (GH¢), rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

There were no new IFRS's and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that would be expected to have an impact on the Group's financial statements.

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

A number of new standards and amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss (P&L). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling.

Notes *(continued)*

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

2.1 Basis of preparation *(continued)*

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

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

There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The directors of the Group are yet to assess IFRS 9’s full impact.

IFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The directors of the Group are assessing the impact of IFRS 15.

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB’s Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity’s financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/ accounting policies are not required for these amendments. The amendments are effective 1 January 2016.

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

Notes *(continued)*

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

2.2 Consolidation

2.2.1 Subsidiaries

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquire 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 acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.2.2 Changes in ownership interests in subsidiaries without change of control

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

2.2.3 Disposal of subsidiaries

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

Notes *(continued)*

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

2.2 Consolidation *(continued)*

2.2.4 Separate financial statements

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

2.3 Foreign currency transaction

2.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Cedis (GH¢), which is the Group's presentation currency.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relates to cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expense'.

2.3.3 Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in 'currency translation reserve' in equity.

2.4 Property and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of property and equipment includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing property and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day – to - day servicing of an item of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Notes *(continued)*

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

2.4 Property and equipment *(continued)*

Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

Motor vehicles	25%
Furniture and fittings	25%
Office equipment	20%
Computer equipment	33.3%
Buildings	25-40 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

2.5 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives, which does not exceed three years.

2.6 Investment property

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

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

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

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued.

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. It may sometimes be difficult to determine reliably the fair value of the investment property under construction.

Notes *(continued)*

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

2.6 Investment property *(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.

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

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

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

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

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

2.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Notes *(continued)*

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

2.8 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including pre-payments, made under operating leases (net of any incentives received from the lessor) are charged to income statement on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties (Note 2.6).

2.9 Financial assets and financial liabilities

2.9.1 Financial assets

Classification

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

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'due from reinsurers', 'due from related parties' and 'cash and cash equivalents' in the balance sheet (notes 2.10, 11 and 13).

Receivables arising out of reinsurance arrangements or direct insurance arrangements are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

2.9.2 Financial liabilities

The Group's holding in financial liabilities represents mainly insurance contract liabilities, creditors arising from reinsurance arrangements and other liabilities. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Notes *(continued)*

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

2.9 Financial assets and financial liabilities *(continued)*

2.9.3 Determination of fair value

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

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

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

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

2.9.4 Impairment of financial assets

Financial assets carried at amortised cost

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

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

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2.9.5 Offsetting financial instruments

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

Notes *(continued)*

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

2.10 Insurance contract

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

2.10.1 Recognition and measurement

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

2.10.1.1 Non-life insurance contracts

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

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

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

Non-life insurance contracts protect the contract holders from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There are no maturity or surrender benefits.

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

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

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

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

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

2.10 Insurance contract *(continued)*

2.10.1.2 Life Insurance contracts

Life insurance contracts insure events associated with human life (for example, death or survival) over a long duration.

Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

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

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

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

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

2.10.2 Reinsurance contracts held

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

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

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.

Receivables and payables are recognised when due.

Notes *(continued)*

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

2.10 Insurance contract *(continued)*

2.10.3 Receivables and payables related to insurance contracts

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

2.10.4 Salvage and subrogation reimbursements

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

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

2.10.5 Life insurance liability valuation basis and methodology

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

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

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

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

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

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

Notes *(continued)*

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

2.11 Trade receivables

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

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

2.12 Current and deferred income tax

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

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

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

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

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

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

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

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

2.13 Cash and cash equivalents

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

Notes *(continued)*

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

2.14 Stated capital

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

2.15 Other payables

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

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

2.16 Provisions

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

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

2.17 Dividend distribution

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

2.18 Revenue recognition

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

2.18.1 Premium income

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

2.18.2 Dividend income

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

2.18.3 Rental income

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

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

2.18.4 Service charges and management charges from investment properties

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

Notes *(continued)*

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

2.18 Revenue recognition *(continued)*

2.18.5 Pension management fee

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

2.18.6 Interest income

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

2.19 Operating expenses

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

2.20 Commission expenses

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

2.21 Policyholder benefits

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

2.22 Employee benefits

2.22.1 Defined contribution plans

The Group and all its employees contribute to define pension schemes approved by the regulatory authority.

A defined contribution scheme is a pension plan under which the entity pays fixed contributions into a separate entity. The entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to these schemes for its employees are recognised as an employee benefit expense when they are due.

2.22.2 Other short term benefits

Salaries, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employee of the Group.

Notes *(continued)*

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

2.23 Share option

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

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

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

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

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

2.24 Segment reporting

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

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

3. Management of insurance and financial risk

3.1 Insurance risk

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

3.1.1 Management of non - life insurance risk

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

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

The product features of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts in the Group are described below;

(i) Property

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

(ii) Accident

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

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

(iii) Motor

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

(iv) Engineering

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

(v) Marine

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

Notes *(continued)*

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

3.1 Insurance risk *(continued)*

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

3.1.2 Limiting exposure to non - life insurance risk

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

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

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

(i) Underwriting and reinsurance operating procedures

The Group has implemented an appropriate risk management framework to manage risk in accordance with the Group's risk appetite. Group reinsurance is managed by the reinsurance department and risk management unit. The objectives and responsibilities of the department is set out and approved by the board of directors.

The main objective of the risk management outfit is to provide a policy framework that ensures that risk assumption and risk retention practice is in line with prudent risk/reward parameters set by the Group. Specifically, the department determines the risk-retention policy of the Group, and this leads to the type and level of reinsurance placed for the year. Facultative and treaty reinsurance are undertaken for the purposes of cost-efficiency, compliance with risk assumption criteria and security.

(ii) Re-insurance strategy

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

(iii) Risk-retention parameters

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

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

3.1.3 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.

Notes *(continued)*

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

3.1 Insurance risk *(continued)*

3.1.3 Sources of uncertainty in the estimation of future claim payments *(continued)*

(i) Claims provision

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

(ii) Notified claims

Claims provisions are based on previous claims experience, knowledge of events, terms and conditions of the relevant policies and interpretation of circumstances. Each notified claim is assessed on a separate case-by-case basis with regard to the specific circumstances, information available from the insured and the loss adjuster and past experience of similar claims. The Group employs staff experienced in claims handling and rigorously applies standardised policies and procedures around claims assessment. In addition, the Group utilises the services of specialised administrators to perform the claims assessment process for some of its business.

The ultimate cost of the reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Estimates are reviewed regularly and updated if new information becomes available.

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

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

(iv) Unsettled claims

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

3.1.4 Management of life insurance risk

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

For a portfolio of life insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The assumptions used in the insurance contracts are disclosed in Note 4.1.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The concentration of life insurance risk before and after reinsurance by class in relation to the type of insurance risk acceptable in summarised in note 29.

Notes *(continued)*

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

3.1 Insurance risk *(continued)*

3.1.4 Management of life insurance risk *(continued)*

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

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

3.2 Financial risk

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

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

3.2.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3.2.1.1 Foreign exchange risk

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

Foreign currency changes are monitored by the investment committee and holdings are adjusted when there is a deviation from the Company's investment policy.

At 31 December 2015, if the Ghana cedi had weakened/strengthened by 10% (2014: 10%) against the US dollar with all other variables held constant, post tax profit for the year would have been GH¢730,521 (2014: GH¢1,058,000) higher/lower, mainly as a result of US dollar receivables and bank balances.

At 31 December 2015, if the Ghana cedi had weakened/strengthened by 10% (2014: 10%) against the Euro with all other variables held constant, post tax profit for the year would have been GH¢880 (2014: GH¢209,278) lower/higher, mainly as a result of Euro denominated amounts payable and bank balances.

At 31 December 2015, if the Ghana cedi had weakened/strengthened by 10% (2014: 10%) against the Pound with all other variables held constant, post tax profit for the year would have been GH¢2,506 (2014: GH¢78,224) lower/higher, mainly as a result of pound denominated amounts payable and bank balances.

Notes *(continued)*

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

3.2 Financial risk *(continued)*

3.2.1 Market risk *(continued)*

3.2.1.2 Interest rate risk

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

At 31 December 2015, if the interest rates of government securities and fixed deposits had been 50 basis points (2014: 50 basis points) higher/lower, with all other variables held constant, post-tax profit for the year would have been GH¢1,476,882 (2014: GH¢874,534) higher/lower.

3.2.1.3 Price risk

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

At 31 December 2015, if the GSE index had increased/decreased by 15% (2014: 15%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation to the index, post tax profit for the year would have been GH¢654,376 (2014: GH¢692,376) higher/lower.

3.2.2 Credit risk

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

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

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

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

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

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

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.2 Financial risk *(continued)*

3.2.2 Credit risk *(continued)*

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

Debt securities are instruments in the form of treasury bills and bonds issued by the Government in the respective jurisdictions in which the entities within the Group operate.

Below is the analysis of the Group's maximum exposure to credit risk at year end.

	The Company		The Group	
	2015	2014	**2015**	2014
Equity securities	**4,114**	4,826	**45,570**	48,553
Debt securities	**12,382**	15,103	**321,547**	233,209
Cash and bank balances	**15,151**	39,515	**57,445**	88,813
Amount due from related parties	**59,232**	17,695	**-**	-
Staff advances	**14**	28	**43**	30
Due from reinsurers	**-**	-	**28,717**	5,378
Other receivables	**-**	-	**13,765**	5,082
	90,893	77,167	**467,087**	381,065

None of the Group's financial assets are neither past due nor impaired at 31 December 2014 and 31 December 2015. The Group does not hold any collateral security.

3.2.3 Liquidity

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

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.2 Financial risk *(continued)*

3.2.3 Liquidity *(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:

The Company

	Contractual cash flows (undiscounted)		
	Carrying amount	up to 1 year	Over 1 year
Year ended 31 December 2015			
Contractual maturities of financial liabilities:			
Trade and other payables	**2,902**	**2,902**	-
Year ended 31 December 2014			
Contractual liabilities:			
Trade and other payables	2,462	2,462	-

The Group

	Contractual cash flows (undiscounted)			
	Carrying amount	up to 1 year	Over 1 year	Total
Year ended 31 December 2015				
Contractual maturities of financial liabilities:				
Due to re-insurers	**13,073**	13,073	-	**13,073**
Due to related parties	**5,901**	5,901	-	**5,901**
Outstanding claims	**4,181**	4,181	-	**4,181**
Life fund	**264,557**	98,196	264,557	**362,753**
Trade and other payables	**32,156**	32,156	-	**32,156**
	319,868	153,507	264,557	**418,064**

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.2 Financial risk *(continued)*

3.2.3 Liquidity *(continued)*

The Group *(continued)*

Year ended 31 December 2014

		Contractual cash flows (undiscounted)		
	Carrying amount	up to 1 year	Over 1 year	Total
Contractual maturities of financial liabilities:				
Due to re-insurers	5,609	5,609	-	5,609
Due to related parties	5,118	5,118	-	5,118
Outstanding claims	5,822	5,822	-	5,822
Life fund	195,238	74,971	130,267	205,238
Trade and other payables	22,045	22,045	-	22,045
	233,832	113,565	130,267	243,832

3.3 Capital management

The Group's objectives when managing capital are:

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

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

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

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

Year ended 31 December 2015

Entity	Nature of activity	Regulatory capital held	Minimum regulatory capital requirement
Enterprise Insurance Company Limited	General Insurance	**15,316**	**15,000**
Enterprise Life Assurance Company Limited	Life Insurance	**15,000**	**15,000**
Enterprise Life Assurance Company (Gambia) Limited	Life Insurance	**947**	**843**
Enterprise Trustees Limited	Pension	**7,417**	**1,000**

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.3 Capital management *(continued)*

Year ended 31 December 2014	Nature of activity	Regulatory capital held	Minimum regulatory capital requirement
Enterprise Insurance Company Limited	General Insurance	13,316	3,400
Enterprise Life Assurance Company Limited	Life Insurance	10,000	3,400
Enterprise Life Assurance Company (Gambia) Limited	Life Insurance	947	843
Enterprise Trustees Limited	Pension	7,417	1,000

Companies in the Group carrying out insurance business are subject to insurance solvency regulations in the territories in which it operate. The Group has embedded in its framework the necessary monitoring to ensure continuous and full compliance with such regulations.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company and the Group's financial assets and liabilities that are measured at fair value at 31 December 2015 and 31 December 2015. The Group's investment properties measured at fair value is set out in note 7.

The Company

At 31 December 2015	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Financial assets measured at fair value:				
- Equity securities	4,102	-	12	**4,114**
- Treasury bills	-	12,382	-	**12,382**
Total	**4,102**	**12,382**	**12**	**16,496**
Financial liabilities measured at fair value:	-	-	-	-
At 31 December 2014				
Financial assets measured at fair value:				
- Equity securities	4,814	-	12	4,826
- Treasury bills	-	15,103	-	15,103
Total	4,814	15,103	12	19,929
Financial liabilities measured at fair value:	-	-	-	-

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.3 Fair value estimation *(continued)*

The Group

At 31 December 2015	(Level 1)	(Level 2)	(Level 3)	Total
Financial assets measured at fair value:				
Equity securities	45,558	-	12	**45,570**
Unlisted equity securities:			-	
- Bonds	-	15,487	-	**15,487**
- Fixed deposits and treasury bills	-	306,060		**306,060**
Total	**45,558**	**321,547**	**12**	**367,117**
Financial liabilities measured at fair value:				
- Life fund	**-**	**264,557**	**-**	**264,557**
At 31 December 2014				
Financial assets measured at fair value:				
- Equity securities	48,541	-	12	48,553
Unlisted equity securities:				
- Bonds	-	9,493	-	9,493
Fixed deposits and treasury bills	-	223,716	-	223,716
Total	48,541	233,209	12	281,762
Financial liabilities measured at fair value:				
- Life fund	-	195,238	-	195,238

There were no transfers between level 1, 2 and 3 during the year for either Company or the Group (2014: Nil).

3.4 Financial instruments by category

The Company

Assets as per statement of financial position	**2015**	2014
Fair value through profit or loss:	**4,114**	4,826
- Listed equity investments	**12,382**	15,103
Loans and receivables:		
- Other receivables	**14**	28
- Amount due from related parties	**59,232**	17,695
- Cash and bank balances	**15,151**	39,515
Total	**90,893**	77,167

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

3.4 Financial instruments by category *(continued)*

The Company *(continued)*

Liabilities as per statement of financial position	**2015**	2014
Other financial liabilities at amortised cost:		
Trade and other payables	**2,902**	2,462
The Group		
Assets as per statement of financial position		
Fair value through profit or loss:		
Equity securities	**45,570**	48,553
Treasury bills and fixed deposits	**306,059**	223,717
Government bonds	**15,488**	9,492
Loans and receivables:		
Due from re-insurers	**28,717**	5,378
Other receivables	**13,808**	5,112
Cash and bank balances	**57,445**	88,813
Total	**467,087**	381,065
Liabilities as per statement of financial position		
Fair value through profit or loss:		
Life fund	**264,557**	195,238
Other financial liabilities at amortised cost:		
Outstanding claims	**4,181**	5,822
Trade and other payables	**31,393**	20,235
Due to re-insurers	**13,073**	5,609
Due to related parties	**5,901**	5,118
Total	**319,105**	232,022

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

4. Critical accounting estimates and judgements

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

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

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

(i) Mortality

Individual non-profit business: Mortality assumptions are based on internal investigations into mortality experience. Annual mortality investigations are carried out.

(ii) Morbidity

Morbidity and accident investigations are done annually.

(iii) Persistency

Lapse 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 2015 is taken as an appropriate expense base. Provision for future renewal expenses starts at a level consistent with the budgeted experience for the 2015 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 expense inflation.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

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

Sensitivity analysis

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

Variable	Change in variable	Change in liability	
		2015	2014
Worsening in mortality	+1% p.a	**573**	14
Worsening of expense inflation	+1% p.a	**986**	603
Worsening of lapse rate	+20%	**921**	1,619

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.

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

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

An increase of 10% in the ultimate number of such claims would cost an additional loss of GH¢418,100 net of re-insurance (2014: GH¢582,200).

4.3 Investment property

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

4.4 Income tax

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

4.5 Fair value of financial instruments

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

5. Property and equipment

The Company **Year ended 31 December 2015**	**Motor vehicles**	**Equipment, fittings and furniture**	**Capital work in progress**	**Total**
Cost				
At 1 January	505	412	-	**917**
Additions	347	69	269	**685**
At 31 December	852	481	269	**1,602**
Accumulated depreciation				
At 1 January	249	195	-	**444**
Charge for the year	159	102	-	**261**
At 31 December	408	297	-	**705**
Net book amount				
At 31 December	**444**	**184**	**269**	**897**
Year ended 31 December 2014				
Cost				
At 1 January	565	184	70	819
Transfer	-	78	(78)	-
Additions	152	161	8	321
Disposal	(212)	(11)	-	(223)
At 31 December	505	412	-	917
Accumulated depreciation				
At 1 January	175	100	-	275
Charge for the year	127	101	-	228
Disposal	(53)	(6)	-	(59)
At 31 December	249	195	-	444
Net book amount				
At 31 December	256	217	-	473

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

5. Property and equipment *(continued)*

The Group Year ended 31 December 2015	Leasehold property	Motor vehicles	Equipment, fittings and furniture	Capital work in progress	Total
Cost					
At 1 January	3,417	4,658	7,586	8,556	**24,217**
Additions	544	2,236	2,724	6,413	**11,917**
Transfer from capital work in progress	8,824	-	-	(8,824)	**-**
Transfer from investment properties (Note 7)	-	-	-	3,635	**3,635**
Disposals	-	(432)	(4)	-	**(436)**
At 31 December	12,785	6,462	10,306	9,780	**39,333**
Depreciation					
At 1 January	858	3,035	3,164	-	**7,057**
Charge for the year	443	1,090	1,723	-	**3,256**
Disposal	-	(432)	(4)	-	**(436)**
At 31 December	1,301	3,693	4,883	-	**9,877**
Net book amount					
At 31 December	**11,484**	**2,769**	**5,423**	**9,780**	**29,456**
Year ended 31 December 2014					
Cost					
At 1 January	13,032	3,717	5,337	620	22,706
Additions	297	1,441	2,180	8,162	12,080
Transfer from capital work in progress	-	-	226	(226)	-
Transfer to investment properties (Note 7)	(9,912)	-	-	-	(9,912)
Disposals	-	(500)	(157)	-	(657)
At 31 December	3,417	4,658	7,586	8,556	24,217
Depreciation					
At 1 January	257	2,016	2,887	-	5,160
Charge for the year	601	1,343	430	-	2,374
Disposal	-	(324)	(153)	-	(477)
At 31 December	858	3,035	3,164	-	7,057
Net book amount					
At 31 December 2014	2,559	1,623	4,422	8,556	17,160

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

5. Property and equipment *(continued)*

Loss/(profit) on disposal of property and equipment is as follows

	The Company		The Group	
	2015	2014	**2015**	2014
Carrying amount	**-**	223	**436**	657
Less accumulated depreciation	**-**	(59)	**(436)**	(477)
Net book amount	**-**	164	**-**	180
Less proceeds on disposal	**-**	-	**(178)**	(95)
Loss/(profit) on disposal	**-**	164	**(178)**	85

6. Intangible assets

The Group

	2015	2014
Cost:		
At 1 January	**366**	55
Additions	**24**	311
At 31 December	**390**	366
Amortisation:		
At 1 January	**(55)**	(32)
Amortisation charge for the year	**(5)**	(5)
Impairment	**(28)**	(18)
At 31 December	**(88)**	(55)
Net book amount	**302**	311

7. Investment properties

The Group

	2015	2014
At 1 January	**82,339**	25,743
Fair value gains	**10,687**	23,641
Subsequent expenditure to investment properties	**41,602**	23,043
Transfer (to)/from property and equipment (Note 5)	**(3,635)**	9,912
At 31 December	**130,993**	82,339

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

8. Investment in subsidiaries

The Group	2015	2014
Enterprise Insurance Company Limited	**17,715**	17,715
Enterprise Life Assurance Company Limited	**383**	383
Enterprise Trustees Limited	**4,312**	4,312
Enterprise Properties Limited	**8,152**	8,152
	30,562	30,562

Name of subsidiary	Nature of Activity	Percentage interest held by the Company 2015 %	Percentage interest held by the Company 2014 %	Country of incorporation Ghana
Enterprise Insurance Company Limited	Non-life insurance underwriting	**60**	60	Ghana
Enterprise Life Assurance Company Limited	Life assurance underwriting	**51**	51	Ghana
Enterprise Properties Limited	Real estates	**100**	100	Ghana
Enterprise Trustees Limited	Pension fund management	**60**	60	Ghana

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

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. None of the subsidiaries issued preference shares during the year ended 31 December 2015 (2014: Nil).

Total comprehensive income attributable to non-controlling interest

	2015	2014
Profit for the year	**23,995**	23,304
Foreign currency translation reserve	**1,115**	120
	25,110	23,424

The total non-controlling interest for the year ended 31 December 2015 is GH¢69.2 million (2014: GH¢44.1 million). This comprise; GH¢48.9 million (2014: GH¢34.1 million) for Enterprise Life Assurance Company Limited, GH¢18.5 million (2014: GH¢8.8 million) for Enterprise Insurance Company Limited and GH¢1.8 million (2014: GH¢1.2 million) for Enterprise Trustees Limited is not material to the Group.

Significant restrictions

Significant restrictions relates to statutory deposit of GH¢280,000 (2014: GH¢280,000) not available for use in the day to day operations of companies within the group licensed to underwrite life and non-life insurance contracts in Ghana in accordance with section 73 of the Insurance Act 2006, (Act 724).

The summarised financial information for each subsidiary that has non-controlling interests that are material to the group are set out on the next page.

Transactions with non-controlling interests are set out in note 22 and note 34.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

8. Investment in subsidiaries *(continued)*

Summarised statement of financial position

	Enterprise Insurance Company Limited		Enterprise Life Insurance Company Limited	
	2015	2014	**2015**	2014
Current				
Assets	**88,508**	66,088	**333,797**	260,872
Liabilities	**(44,962)**	(31,297)	**(21,334)**	(21,346)
Total current net assets	**43,546**	34,791	**312,463**	239,526
Non-current				
Assets	2,626	2,883	51,497	37,099
Liabilities	-	-	(264,557)	(195,238)
Total non-current net assets/(liabilities)	**2,626**	2,883	**(213,060)**	(158,139)
Net assets	**46,172**	37,674	**99,403**	81,387
Summarised income statement				
Insurance premium revenue	**57,281**	47,623	**196,431**	156,307
Profit before income tax and national fiscal stabilisation levy profit	**12,970**	11,841	**40,710**	41,046
Profit after income tax and national fiscal stabilisation levy profit	**9,237**	8,314	**38,298**	41,408
Other comprehensive income	**-**	-	**1,718**	245
Total comprehensive income	**9,237**	8,314	**40,016**	41,653
Total comprehensive income allocated to non-controlling interests	**3,695**	3,326	**19,880**	22,106
Dividend paid to non-controlling interests	**-**	-	**10,780**	8,820
Summarised cash flows				
Cash flows from operating activities:				
Cash flows from operations	**(11,167)**	11,278	**46,134**	42,911
Investment income received	**10,135**	5,747	**52,881**	25,780
Income tax paid	**(5,198)**	(2,869)	**-**	(3)
National fiscal stabilisation levy paid	**(899)**	(537)	**(2,891)**	(1,050)
Net cash (used in)/generated from operating activities	**(7,129)**	13,619	**96,124**	67,638
Net cash (used in)/generated from in investing activities	**(1,332)**	7,696	**(8,944)**	(10,308)
Net cash used in financing activities	**-**	(5,351)	**(22,000)**	(18,000)
Net (decrease)/increase in cash and cash equivalents	**(8,461)**	15,964	**65,180**	39,330
Cash and cash equivalents at beginning of year	**35,983**	20,019	**80,980**	41,650
Cash and cash equivalents at end of year	**27,522**	35,983	**146,160**	80,680

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

9. Investment securities

Financial assets at fair value through profit or loss	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Equity securities:				
- Listed equity securities	**4,102**	4,814	**45,558**	48,541
- Unlisted equity securities	**12**	12	**12**	12
Total listed equity securities	**4,114**	4,826	**45,570**	48,553
Unlisted debt securities	**12,382**	15,103	**321,547**	233,209
	16,496	19,929	**367,117**	281,762

Equity and debt securities classified at fair value through profit or loss are designated in this category upon initial recognition.

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

Equity securities	The Company 2015	The Company 2014	The Group 2015	The Group 2014
At beginning of year	**4,826**	4,052	**48,553**	52,293
Purchases of equity securities	**-**	12	**16,355**	2,541
Sale of equity securities	**-**	-	**(12,832)**	(4,283)
Net gains on equity securities	**(712)**	762	**(6,506)**	(1,998)
At end of year	**4,114**	4,826	**45,570**	48,553

Unlisted debt securities	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Fixed deposits	**-**	-	**189,154**	61,698
- Bonds	**-**	-	**15,488**	9,492
- Treasury bills	**12,382**	15,103	**116,905**	162,019
	12,382	15,103	**321,547**	233,209

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

10. Loans and receivables

	The Company		The Group	
	2015	2014	**2015**	2014
Staff loans	**14**	28	**43**	30
Prepayment	**-**	-	**1,476**	1,104
Other receivables	**-**	-	**13,765**	5,082
	14	28	**15,284**	6,216

The maximum amount of staff loans during the year did not exceed GH¢45,000 (2014: GH¢33,000). All loans and receivables are current and their carrying values approximate their fair value.

11. Re-insurance assets and liabilities

The Group	**2015**	2014
Due from re-insurers	**28,717**	5,378

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

	2015	2014
Due to re-insurers	**13,073**	5,609

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

12. Cash and cash equivalents

	The Company		The Group	
	2015	2014	**2015**	2014
Cash	**1**	1	**19**	41
Bank balances	**15,150**	39,514	**57,426**	88,772
Cash and bank balances	**15,151**	39,515	**57,445**	88,813
Treasury bills with original maturities less than 3 months	**12,382**	15,103	**148,244**	85,436
	27,533	54,618	**205,689**	174,249
Less: restricted cash	**-**	-	**(280)**	(280)
	27,533	54,618	**205,409**	173,969

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

13. Stated capital

The authorised shares of the Company are 200,000,000 (2013: 200,000,000) ordinary shares of no par value. The issued ordinary shares at 31 December 2013 and 31 December 2014 is as follows:

	2015		2014	
	No of Shares	**GH¢'000**	No of Shares	GH¢'000
At 1 January	**131,900,825**	**33,169**	131,210,825	31,599
Issue during the year:				
- Transfer from reserves (share option)	**436,987**	**866**	605,178	1,377
- Cash	**933,013**	**1,885**	84,822	193
	133,270,825	**35,920**	131,900,825	33,169

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

14. Contingency reserves

The Group

	2015	2014
At 1 January	**15,800**	13,687
Transfer from income surplus	**3,030**	2,113
At 31 December	**18,830**	15,800

The non-life insurance Company within the Group sets aside on an annual basis a contingency reserve of not less than three per cent of the total premiums or twenty per cent of net profit whichever is greater as required by the Insurance Act 2006 (Act 724).

15. Currency translation reserve

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

16. Income surplus account

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

17. Insurance contract liabilities

The Group

	2015	2014
At 1 January	**195,238**	148,644
Transfer from profit or loss	**69,319**	46,594
At 31 December	**264,557**	195,238

An independent actuary carried out the valuation of the Life Fund as at 31 December 2015 and 31 December 2014.

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

18. Provision for unearned premium

The Group

	2015	2014
At 1 January	15,518	17,497
Increase/(decrease) in provision	9,042	(1,979)
At 31 December	24,560	15,518

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

19. Outstanding claims

The Group

	2015	2014
At 1 January	5,822	2,294
Claims incurred	195,673	84,300
Change in claims incurred but not reported	334	469
Gross claim expense for the year	196,007	84,769
Reinsurance recoveries	(87,205)	(1,442)
Net claims payable for the year	108,802	83,327
Claims settled during the year	(110,443)	(79,799)
At 31 December	4,181	5,822

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

20. Deferred income tax

	The Company		The Group	
	2015	2014	2015	2014
Deferred tax assets	2,697	2,566	3,906	3,376
Deferred tax liability	-	-	11,606	11,631

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

20. Deferred income tax *(continued)*

Deferred income tax is calculated using the enacted income tax rate of 25% (2014: 25%). Deferred income tax assets and liabilities and deferred income tax (charge)/credit in the income statement and the statement of changes in equity of the Company and the Group are attributable to the following items:

The Company

Deferred tax assets arising from:

	At 1 January	Charged/(credit) to profit or loss	At 31 December
Year ended 31 December 2015			
Deferred tax assets arising from:			
Accelerated depreciation	155	(100)	**55**
Other deductible temporary difference	2,411	231	**2,642**
	2,566	131	**2,697**
Year ended 31 December 2014			
Deferred tax assets arising from:	57	98	155
Accelerated depreciation	2,733	(322)	2,411
Other deductible temporary difference	2,790	(224)	2,566

The Group

	At 1 January	Charged/(credit) to profit or loss	At 31 December
Year ended 31 December 2015			
Deferred tax assets arising from:			
Accelerated depreciation	(77)	177	**100**
Other deductible temporary difference	3,453	353	**3,806**
	3,376	530	**3,906**
Deferred tax liabilities arising from:			
Accelerated depreciation	743	(824)	**81**
Other deductible temporary difference	(12,374)	849	**(11,525)**
	(11,631)	25	**(11,606)**
Year ended 31 December 2014			
Deferred tax assets arising from:			
Accelerated depreciation	(38)	(39)	(77)
Other deductible temporary difference	3,346	107	3,453
	3,308	68	3,376
Deferred tax liabilities arising from:			
Accelerated depreciation	398	345	743
Other deductible temporary difference	(10,094)	(2,280)	(12,374)
Deferred income tax liabilities	(9,696)	(1,935)	(11,631)

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

21. Trade and other payables

	The Company		The Group	
	2015	2014	**2015**	2014
Trade payables	**-**	22	**13,390**	14,168
National fiscal stabilisation levy (Note 26)	**-**	-	**763**	1,810
Accrued expenses	**2,902**	2,440	**18,003**	6,067
	2,902	2,462	**32,156**	22,045

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

22. Related party transactions

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

The following transactions were carried out with related parties:

The Company	**2015**	2014
Expenses settled by:		
- Enterprise Group Limited on behalf of Enterprise Insurance Company Limited	**140**	-
- Enterprise Group Limited on behalf of Enterprise Life Assurance Company Limited	**122**	-
- Enterprise Group Limited on behalf of Enterprise Properties Limited	**31,262**	-
- Enterprise Group Limited on behalf of Enterprise Trustees Limited	**174**	660
Dividend paid by		
- Enterprise Insurance Company Limited to Enterprise Group Limited	**-**	8,546
- Enterprise Life Assurance Company Limited to Enterprise Group Limited	**11,220**	9,180
The Group		
Expenses settled by:		
- Sanlam Emerging Market Limited for Enterprise Life Assurance Company Limited	**219**	214
- Sanlam Emerging Market Limited for Enterprise Insurance Company Limited	**128**	8
Fees for asset management services provided by:		
- Databank Financial Services to Enterprise Life Assurance Company Limited	**1,064**	628
Dividend:		
- Enterprise Life Assurance Company Limited to Sanlam Emerging Market Limited	**10,780**	8,820

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

22. Related party transactions *(continued)*

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

Amount due to related parties	The Company		The Group	
	2015	2014	**2015**	2014
Sanlam Emerging Market Limited	**-**	-	**5,901**	5,118

Amount due from related parties	The Company		The Group	
	2015	2014	**2015**	2014
Enterprise Insurance Company Limited	**419**	212	**-**	-
Enterprise Properties Limited	**58,677**	17,453	**-**	-
Enterprise Life Assurance Company Limited	**121**	-	**-**	-
Enterprise Trustees Limited	**15**	30	**-**	-
	59,232	17,695	**-**	-

The amounts due from and due to related parties are due within twelve months. The payables bear no interest.

Directors' emoluments are disclosed in Note 25.

Key management personnel

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

	The Company		The Group	
	2015	2014	**2015**	2014
Salaries and other short-term benefits including share options	**4,244**	4,103	**11,441**	8,708
Employer's pension fund contribution	**440**	351	**1,313**	1,068
	4,684	4,454	**12,754**	9,776

23. Investment income

	The Company		The Group	
	2015	2014	**2015**	2014
Fair value through profit or loss:				
- Dividend income	**85**	179	**2,166**	2,472
- Interest on unlisted debt securities	**2,041**	3,841	**67,888**	42,843
- Net fair value (loss)/gain in equity securities	**(712)**	762	**(6,506)**	(1,998)
Dividend from subsidiaries	**11,220**	17,726	**-**	-
Gain on partial disposal of subsidiary	**-**	53,658	**-**	-
Bank interest	**457**	611	**751**	7,559
	13,091	76,777	**64,299**	50,876

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

24. Other income

	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Exchange gains	**10,303**	2,483	**13,559**	7,588
Profit/(loss) on disposal of property and equipment (Note 5)	**-**	(164)	**178**	(85)
Rental income	**-**	-	**2,164**	1,555
Sundry income	**-**	54	**4,706**	867
	10,303	2,373	**20,607**	9,925

25. Operating expenses

The following items have been charged in arriving at operating profit

	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Directors' emoluments	**3,378**	2,930	**5,816**	5,333
Auditor's remuneration	**49**	43	**390**	373
Depreciation and amortisation	**261**	228	**3,261**	2,379
Staff cost	**5,283**	4,253	**34,515**	27,724
Staff cost include:				
Salaries and other short-term employment benefit	**4,724**	3,848	**30,926**	24,893
Employer's pension fund contribution	**559**	405	**3,589**	2,831
	5,283	4,253	**34,515**	27,724

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

	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Staff numbers	**15**	13	**344**	325

26. National fiscal stabilisation levy

The Group Year ended 31 December 2015	At 1 January	Charged to profit or loss	Payments	At 31 December
Up to 2014	1,810	-	(1,810)	**-**
2015	-	**2,743**	(1,980)	**763**
	1,810	**2,743**	(3,790)	**763**
Year ended 31 December 2014				
Up to 2014	647	-	(647)	**-**
2015	-	2,750	(940)	**1,810**
	647	2,750	(1,587)	**1,810**

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

27. Income tax expense

	The Company 2015	The Company 2014	The Group 2015	The Group 2014
Current income tax	**1,005**	8,049	**5,286**	3,666
Deferred income tax charge/(credit)	**(131)**	224	**(555)**	1,867
	874	8,273	**4,731**	5,533

Current income tax – The Company

Year ended 31 December 2015	At 1 January	Payments	Charged to profit or loss	Charged to equity	At 31 December
Year of assessment					
Up to 2015	-	-	1,005	-	**1,005**
Year ended 31 December 2014					
Year of assessment					
Up to 2014	-	(8,049)	8,049	-	-

Current income tax – The Group

Year ended 31 December 2015	At 1 January	Payments	Charged to profit or loss	Charged to equity	At 31 December
Year of assessment:					
Up to 2014	-	(1,631)	-	-	**(1,631)**
2015	1,462	(3,436)	5,286	-	**3,312**
Tax credit	(381)	(251)	-	-	**(632)**
	1,081	(5,318)	5,286	-	**1,049**
Current income tax assets	596				**230**
Current income tax liabilities	1,677				**1,279**
Year ended 31 December 2014					
Year of assessment					
Up to 2013	1,546	(1,546)	-	-	-
2014	-	(10,253)	3,666	8,049	1,462
Tax credit	(232)	(149)	-	-	(381)
	1,314	(11,948)	3,666	8,049	1,081
Current income tax assets	-				596
Current income tax liabilities	1,314				1,677

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

27. Income tax expense *(continued)*

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

	The Company		The Group	
	2015	2014	**2015**	2014
Profit before income tax	**14,151**	69,714	**59,041**	69,581
Tax rate of 25% (2014: 25%)	**3,538**	17,429	**14,760**	17,395
Adjusted for:				
Tax effect of income not subject to tax	**(2,812)**	(17,730)	**(51,854)**	(57,288)
Tax charged at different rate	**-**	8,049	**-**	-
Tax effect of losses not carried forward for tax purposes	**-**	465	**3,855**	7,088
Tax effect of expenses not deductible for tax purposes	**148**	60	**37,970**	38,338
	874	8,273	**4,731**	5,533

28. Dividend

	The Company		The Group	
	2015	2014	**2015**	2014
At 1 January	**-**	-	**-**	-
Amount declared during the year	**3,303**	28,356	**10,780**	37,176
Amount paid	**(3,303)**	(28,356)	**(10,780)**	(37,176)
At 31 December	**-**	-	**-**	-

29. Net insurance premium

The Group

	2015			2014		
	Gross premium	**Reinsurance ceeded**	**Net premium**	Gross premium	Reinsurance ceeded	Net premium
Non-life insurance:						
Motor	51,851	(4,667)	**47,184**	33,684	(1,404)	32,280
Fire	24,832	(16,000)	**8,832**	17,458	(11,524)	5,934
Marine	2,521	(1,201)	**1,320**	1,439	(536)	903
General Accident	21,792	(12,805)	**8,987**	17,818	(11,290)	6,528
	100,996	(34,673)	**66,323**	70,399	(24,754)	45,645
Life insurance:						
Individual life	183,201	(813)	**182,388**	146,250	(1,082)	145,168
Group life	20,249	(6,206)	**14,043**	12,096	(956)	11,140
	203,450	(7,019)	**196,431**	158,346	(2,038)	156,308
	304,446	**(41,692)**	**262,754**	228,745	(26,792)	201,953

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

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

	The Company		The Group	
Cash flows from operating activities	**2015**	2014	**2015**	2014
Profit before income tax	**14,151**	69,714	**59,041**	69,581
Adjustments for:				
Depreciation and amortisation	**261**	228	**3,261**	2,379
Impairment of intangible assets	**-**	-	**28**	18
Impairment of loans and receivable	**-**	-	**-**	487
Share-base payment	**518**	1,146	**977**	1,239
Fair value gain on investment properties	**-**	-	**(10,687)**	(23,641)
Investment income	**(13,091)**	(76,777)	**(64,299)**	(50,876)
Loss/(profit) on sale of property and equipment	**-**	164	**(178)**	85
Foreign exchange effect on consolidation	**-**	-	**1,718**	245
Transfer to life fund	**-**	-	**69,319**	46,594
Changes in working capital:				
Change in insurance contract liabilities:				
Unearned premium	**-**	-	**9,042**	(1,979)
Outstanding claims	**-**	-	**(1,641)**	3,528
Amount due to re-insurers	**-**	-	**7,464**	(243)
Increase in amount due to related parties	**-**	-	**783**	774
Decrease/(increase) in loans and receivables	**14**	1,586	**(9,068)**	16,566
Increase in amount due from related parties	**(41,537)**	(15,513)	**-**	-
(Decrease)/increase in trade and other payables	**(440)**	288	**11,158**	(322)
(Increase)/decrease in amounts due from re-insurers	**-**	-	**(23,339)**	(2,364)
Net (sale)/purchase of operating assets:				
Equity securities	**-**	(12)	**(3,523)**	1,742
Unlisted debt securities	**1,421**	4,212	**(14,165)**	(64,388)
Investment properties	**-**	-	**(41,602)**	(23,043)
Cash used in operations	**(38,703)**	(14,964)	**(5,711)**	(23,618)

31. Segment information

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

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

31. Segment information *(continued)*

Year ended 31 December 2015

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

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

31. Segment information *(continued)*

Year ended 31 December 2014

	Non-life insurance	Life assurance	Pension administration	Real estate	Funeral services	Investments	Total
Net premium earned	47,625	156,307	-	-	-	-	203,932
Net investment and other income	11,136	46,989	3,139	15,412	-	7,766	84,442
Net income	58,761	203,296	3,139	15,412	-	7,766	288,374
Increase in Life fund	-	(46,594)	-	-	-	-	(46,594)
Net claim incurred	(29,286)	(54,041)	-	-	-	-	(83,327)
Commission	(4,380)	(30,596)	-	-	-	-	(34,976)
Operating expenses	(12,136)	(26,921)	(2,902)	(2,061)	(548)	(9,328)	(53,896)
Profit/(loss) before tax	12,959	45,144	237	13,351	(548)	(1,562)	69,581
National Fiscal Stabilisation Levy	(652)	(2,098)	-	-	-	-	(2,750)
Income tax (expense)/credit	(2,875)	2,461	(65)	(4,830)	-	(224)	(5,533)
Profit after tax	9,432	45,507	172	8,521	(548)	(1,786)	61,298
Total assets	67,294	287,182	4,993	63,988	-	62,494	485,951
Total liabilities	30,528	217,102	1,094	11,152	320	2,462	262,658

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

32. 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	
	2015	2014	**2015**	2014
Profit attributable to equity holders of the company (GH¢ 000)	**13,277**	61,441	**27,572**	37,994
Weighted average number of ordinary shares in issue	**133,270,825**	131,900,825	**133,270,825**	131,900,825
Basic earnings per share	**0.100**	0.466	**0.207**	0.288

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's potential dilutive shares relates to share options. Outstanding share options at 31 December 2015 and 31 December 2014 is set out in note 33.

	The Company		The Group	
	2015	2014	**2015**	2014
Dilutive earnings per share	**0.098**	0.459	**0.204**	0.284

33. Share-based payments

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

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

	2015		2014	
The Company	**Average exercise price per share**	**Options (thousands)**	Average exercise price per share	Options (thousands)
At 1 January	**0.28**	**2,040**	0.28	2,730
Granted	**2.00**	**1,203**	-	-
Forfeited	**-**	**(120)**	-	-
Exercised	**0.28**	**(1,370)**	0.28	(690)
Expired	**-**	**-**	-	-
At 31 December		**1,753**		2,040

Options exercised in 2015 resulted in 1,370,000 shares (2014: 690,000) being issued at a weighted average price of GH¢0.28 each (2014: GH¢0.28). The related weighted average share price at the time of exercise was GH¢2.02 (2014: GH¢2.28) per share. The value of the Group's outstanding share options at 31 December 2015 is GH¢ 0.518 million (2014:GH¢0.407 million).

Notes *(continued)*

(All amounts are in thousands of Ghana cedis)

33. Share-base payments *(continued)*

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

	The Company		The Group	
	2015	2014	**2015**	2014
Value of employee services	**518**	1,146	**977**	1,239

Share option outstanding at 31 December 2015 will expire in September 2022 (2014; August 2021).

34. Transactions with non-controlling interests

Disposal of interest in a subsidiary without loss of control

On 30 September 2014, the Enterprise Group Limited ("the company") concluded the disposal of 40% of its interest in Enterprise Insurance Company Limited (EIC) at a consideration of GH¢65.468 million. As of the disposal date, the Company's investment in EIC was GH¢29.526 million. The partial disposal resulted in a non-controlling interest in EIC of GH¢4.695 million and an increase in equity attributable to owners of Enterprise Group Limited (the company) of GH¢60.773 million. Income tax on the gain on disposal was GH¢8.049 million. The effect of changes in the ownership interest of Enterprise Insurance Company Limited on the equity attributable to owners of the company during the year is summarised as follows:

	2015	2014
Carrying amount of non-controlling interests disposed of	-	(4,695)
Consideration received	-	65,468
Excess of consideration received recognised in parent's equity	-	60,773

Other transactions with related parties are disclosed in note 22.

35. Contingencies

The Group is presently involved in certain legal proceedings. These court cases arose in the normal course of business. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided for in the outstanding claims balance at 31 December 2015.

36. Capital commitments

The Group has capital commitments of GH¢31 million (2014: GH¢67 million) in respect of capital expenditures contracted for at the reporting date.

Shareholders' information

i. Directors shareholding at 31 December 2015

Name of director	Number of Shares Held
George Otoo	600,000
Keli Gadzekpo	32,500
Mrs. Margaret Clarke-Kwesie	25,000
Emmanuel Kojo Idun	5,000
Martin Eson Benjamin	4,110

ii. Analysis of Shareholding at 31 December 2015

	Number of Shareholders	Number of Shares	Percentage Holdings
1–1,000	1,704	631,248	0.47
1,001–5,000	1,043	2,639,006	1.98
5,001–10,000	362	2,578,383	1.93
10,001 and over	532	127,422,188	95.61

iii. LIST OF TWENTY LARGEST SHAREHOLDERS AS AT 31 DECEMBER, 2015

	Name of Share holder	Number of Shares	Percentage Holdings (%)
1	VENTURES AND ACQUISITIONS LIMITED	47,824,340	35.89
2	STD NOMS TVL PTY/CREDIT SUISSE SEC (USA) LLC/AFRICA OPPORTUNITY FUND L.P	15,159,237	11.37
3	CLEARTIDE ASSET HOLDINGS LTD	11,772,278	8.83
4	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	7,831,250	5.88
5	SCGN/EPACK INVESTMENT FUND LTD - TRANSACTIONS A/C	4,541,055	3.41
6	SCGN/SSB& TRUST AS CUST FOR KIMBERLITE FRONTIER AFRICA MASTER FUND,L.P-RCKM	4,387,290	3.29
7	SCGN/SSB AND TRUST AS CUSTODIAN FOR WASATCH FRONTIER EMERGING SMALL COUNTRIES FUND - W4B9	3,242,849	2.43
8	SCGN/CITIBANK NEWYORK RE NORGES BANK	2,999,600	2.25
9	MAXWELL JANET SNOWDEN	2,967,500	2.23
10	DAMSEL/OTENG-GYASI ANTHONY	1,000,000	0.75
11	NTHC LIMITED	819,915	0.62
12	UNIVERSAL INSURANCE CONSULTANTS LIMITED	650,000	0.49
13	ESTATE OF DR. P.K ANIM-ADDO	625,000	0.47
14	STD NOMS TVL PTY/BNYM SANV/VANDERBILT UNIVERSITY	621,200	0.47
15	GHANA INTERNATIONAL SCHOOL STAFF PF	600,000	0.45
16	OTOO GEORGE BANASCO	600,000	0.45
17	SCGN/ DATABANK BALANCED FUND LTD	526,100	0.39
18	SCGN/SSB&TRUST AS CUST FOR CONRAD N HILTON FOUNDATION-00FG	519,100	0.39
19	SCGN/GHANA MEDICAL ASSOCIATION PENSION FUND	512,500	0.38
20	DODOO FRANCIS & TACKIE EMMA	493,360	0.37
	TOTAL	**107,692,574**	**80.81**

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 2015 do not exceed the amount of the life assurance fund as shown in the balance sheet.

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

Embedded value analysis

Embedded Value (EV)

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

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

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

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

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

Embedded Value Results

The embedded value has increased by GH¢43.1 million over the past year to date, as shown in the table below:

	2015 GH¢'000	2014 GH¢'000
Net Asset Value	100,667	82,671
Value of in-force business	174,736	149,805
Cost of Capital	(5,202)	(5,325)
Embedded Value	270,202	227,151

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

Embedded Value Earnings

The embedded value earnings are shown in the table below:

	2015 GH¢'000	2014 GH¢'000
Change in EV (excluding dividends)	**43,050**	54,554
Dividends declared	**22,000**	18,000
Opening NAV adjustment	**8,000**	2,999
Embedded Value Earnings	**73,050**	75,553

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	31,768	(1,262)	9,748	40,225
Transfers to net worth	(40,652))	-	40,652	-
VNB	32,609	(867)	(1,656)	30,087
Experience profits	10,710	(870)	(2,867)	6,973
Actuarial basis changes	(1,504)	3,121	(5,881)	(4,264)
Embedded Value earnings	**32,931**	**123**	**39,996**	**73,050**

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 16.55% (2014: 15.5%) pa and inflation at 12% pa (2014: 11% pa). The risk discount rate is 22% pa (2014: 21% pa).

G T Waugh MA FASSA

Statutory Actuary
17 March 2016

Resolutions

The Board of Directors will propose the following ordinary resolutions at the Annual General Meeting:

To receive the 2015 Accounts

The Board will propose for the acceptance by the Shareholders of the Audited Financial Statements together with the Reports of the Auditors and Directors thereon in respect of the year ended 31st December, 2015.

To declare a final Dividend

The Board will recommend the payment of a final dividend of GHS 0.050 per share for the year ended 31st December 2015

To re-elect retiring Directors

In accordance with section 298 of the Companies Act, 1963 (Act 179), each year at least one-third of the Directors shall retire from office and shall be eligible for re-election. This year, the Directors due to retire and who, being eligible, offer themselves for re-election are Mr. Trevor Trefgarne and Mr. Martin Eson-Benjamin. The Board will accordingly propose the re-election of these Directors.

Trevor Trefgarne

Mr. Trefgarne has been the Board Chairman since 2008. He is a graduate of the Cranfield School of Management. His other Board appointments include Franklin Templeton Investment Funds SICAV. Mr. Trefgarne is British.

Martin Eson-Benjamin

Mr. Eson-Benjamin is the immediate past CEO of the Millennium Development Authority. He chairs the Advisory Board of the College of Health Sciences (University of Ghana) and is a Director of CFAO Ghana Limited and Ecobank Ghana Limited. He joined the Enterprise Group Board in 2010 and is Ghanaian.

To ratify the appointment of Prof. Angela Ofori-Atta as a Director

Prof. Ofori-Atta is an Associate Professor at the University of Ghana Medical School where she teaches Psychology and Professional Ethics. She obtained her Masters and Doctorate degrees in Clinical Psychology from the University of British Columbia, Vancouver, Canada. Prof. Ofori-Atta is Ghanaian.

To appoint Messrs. KPMG as Auditors

In line with a regulatory requirement to change Auditors every five years, Messrs. PWC have tendered their resignation as Group Auditors with effect from 12 July 2016. Messrs. KPMG have indicated their willingness to be appointed as Auditors with effect from 12th July, 2016. The resolution is to effect their appointment.

To authorize the Directors to fix the remuneration of the Auditors

The Directors will request to be authorized to fix the remuneration of the Auditors for the year 2016.

To approve the Directors' Remuneration

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

Enterprise Group Limited and Subsidiaries

PROXY FORM

I/WE ....

.... *being a member/ members of

Enterprise Group Limited hereby appoint ....

....* or failing him/her the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 12th July , 2016 and at any adjournment thereof.

*(Block Capitals Please)

The General Meeting hereby resolves the following

RESOLUTION		FOR	AGAINST
1.	To receive the Report of the Directors and the Financial Statements together with the Report of the Auditors thereon for the year ended 31st December, 2015		
2.	To declare a final Dividend		
3.	To re-elect retiring Directors: a. Trevor Trefgarne b. Martin Eson-Benjamin		
4.	To ratify the appointment of Prof. Angela Ofori-Atta as a Director.		
5	To appoint Messrs. KPMG as Auditors.		
6.	To authorise the Directors to fix the remuneration of the Auditors		
7.	To approve the remuneration of the Directors		

Dated this ....day of 2016

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. 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. However to ensure that someone will be present at the Meeting to act as your proxy, the Chairman of the Meeting has been inserted as your proxy if the named person is unable to attend the Meeting. Please complete, sign and send the proxy form so that it reaches the address indicated in the Notice on page 4 not later than 48 hours before the commencement time of the Meeting.

Please Affix
Stamp Here

First Fold Here

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

Second Fold Here

Third Fold Here

Cut Here *Cut Here*

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

enterprise
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Your Advantage

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