

2021 ANNUAL REPORT & FINANCIAL STATEMENTS



**Extending Your Advantage**



**enterprise**  
**GROUP**  
*Your Advantage*



## *Vision*

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



## *Mission*

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



## *Values*

- Friendliness
- Trust
- Reliability
- Excellence
- Professionalism

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## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the twelfth Annual General Meeting of Enterprise Group PLC will be held and streamed live from the Company's Head Office at Advantage Place, Mayor Road, Ridge West, Accra on 28th June, 2022 at 10.30a.m for the following purposes:

### ORDINARY BUSINESS

1. To receive the Financial Statements of the Company together with the Reports of the Directors and the Auditors thereon for the year ended December 31, 2021.
2. To declare a final dividend.
3. To re-elect the following retiring Directors:
  - a. Michael Tyson
  - b. Fiifi Kwakye
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To approve Directors' remuneration.

DATED THIS 3<sup>RD</sup> DAY OF MAY, 2022

BY ORDER OF THE BOARD OF DIRECTORS

SADIA CHINERY-HESSE (MRS.)

COMPANY SECRETARY

### NOTE:

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend via online participation and vote on his/her behalf. Such a proxy need not be a member of the Company.
2. The appointment of a proxy will not prevent a member from attending and voting at the Meeting via online participation. Where a member attends the Meeting by online participation, the proxy appointment shall be deemed revoked.
3. A copy of the Proxy Form can be downloaded from <https://www.eglagm.com/> and may be completed and sent via email to [registrars@nthc.com.gh](mailto:registrars@nthc.com.gh) or deposited with the Company's Registrars: NTHC Limited, 18 Gamel Abdul Nasser Avenue, Accra or P.O. Box KIA 9563, Airport Accra as soon as possible and in any event not less than 48 hours before the time appointed for the Meeting.
4. The 2021 Audited Financial Statements can be viewed by visiting <https://www.eglagm.com/>.
5. Shareholders are encouraged to send in any questions in advance of the Meeting by emailing them to [egl.agm@enterprisegroup.com.gh](mailto:egl.agm@enterprisegroup.com.gh). Answers to the questions will be provided at the Meeting.
6. Accessing and Voting at the Virtual AGM

A unique token number will be sent to shareholders by email and/or SMS from 26 May, 2022 to give them access to the Meeting. Shareholders who do not receive this token should contact NTHC LTD on [registrars@nthc.com.gh](mailto:registrars@nthc.com.gh) or call (+233)0593105735 or (+233)0509980337 anytime from 27 May, 2022 but before the date of the Meeting to be sent the unique token.

To gain access to the Meeting, shareholders must visit <https://www.eglagm.com/> and input their unique token number on 28th June, 2022. Access to the Meeting will start from 8am. For shareholders who do not submit proxy forms to NTHC LTD prior to the meeting, they may vote electronically during the Meeting using their unique token number.

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

For further information please contact

NTHC LTD

18 Gamel Abdul Nasser Avenue

Ringway Estate (Opposite the British High Commission)

Osu - Accra

Tel: (+233)0593105735 or (+233)0509980337

Email: [registrars@nthc.com.gh](mailto:registrars@nthc.com.gh)

## Five Year Financial Summary

(All amounts are expressed in thousands of Ghana cedis)

	2021	2020	2019	2018	2017
Group Net Income	1,164,093	847,747	714,088	607,167	542,651
Net Investment Income	245,015	141,662	128,008	114,478	139,744
Net earned Premium	838,697	651,386	535,870	453,430	380,706
Net Benefits & Claims	644,324	374,630	325,346	283,573	275,699
Operating expenses	246,409	190,846	163,798	147,546	117,264
Profit before tax	153,070	175,514	135,790	96,639	90,404
Profit after tax	122,852	146,729	117,225	87,949	87,045
Total Equity and Reserves	834,395	764,386	666,895	576,553	308,779
Total Assets	2,163,317	1,745,508	1,499,116	1,349,344	1,034,967
<b>Number of shares</b>	<b>170,892,825</b>	<b>170,892,825</b>	<b>170,892,825</b>	<b>170,892,825</b>	<b>133,820,825</b>
Earnings per share (GH¢)	0.396	0.476	0.466	0.303	0.397
Dividend per share (GH¢)	0.074	0.062	0.054	0.045	-
Return on Assets (%)	6.29	9.04	8.23	7.38	9.43
Return on Equity (%)	10.49	13.76	15.12	11.15	24.12
Share price (Market) (GH¢)	2.79	1.40	1.65	2.24	3.70
Price Earnings Ratio	7.05	2.94	4.00	7.40	9.32

## Corporate Information

### Board of Directors

Trevor Trefgarne - *Chairman*  
Keli Gadzekpo - *Group Chief Executive Officer*  
Daniel Larbi-Tieku - *Deputy Group Chief Executive Officer*  
Michael Tyson - *Group Chief Finance Officer (Appointed 26 March 2021)*  
Fiifi Kwakye  
Angela Ofori-Atta  
Martin Eson-Benjamin  
Douglas Lacey  
Cleland Bruce - *(Resigned on 26 March 2021)*  
George Otoo - *(Resigned on 22 June 2021)*

### Company Secretary

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

### Independent Auditor

PricewaterhouseCoopers  
Chartered Accountants  
PwC Tower  
A4 Rangoon Lane, Cantonments City  
PMB CT 42, Cantonments  
Accra, Ghana

### Solicitor

Sam Okudzeto & Associates  
Otswe Close  
Osu- Ako Adjei  
Behind Lowe Lintas, F-122  
Accra, Ghana

### Registered Office

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

### Registrar

NTHC LTD  
Gamel Abdul Nasser Avenue  
P. O. Box KIA 9563  
Airport  
Accra, Ghana

### Bankers

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

## Chairman's Review



**Notwithstanding the challenges posed by the ongoing pandemic, your company continued its relentless pursuit of improving shareholder value. We extended our footprints into the health insurance sector through the acquisition of Acacia Health Insurance Limited.**

**Trevor Trefgarne**  
Chairman,  
Enterprise Group Plc

### Introduction

Once again on behalf of the Board of Directors and Management of your company, I have the honour of welcoming you to today's Annual General Meeting. The business environment in Ghana and around the world during 2021 was affected by continuation of disruptions caused by the COVID pandemic. The emergence of the two new variants of the virus, Delta and Omicron, compounded the complexities faced by us all in dealing with the pandemic. There are hopes the changing characteristics of the virus and increasing immunity through exposure and vaccination will soon bring an effective end to the pandemic.

Notwithstanding the challenges posed by the ongoing pandemic, your company continued its relentless pursuit of improving shareholder value. We extended our footprints into the health insurance sector through the acquisition of Acacia Health Insurance Limited. Our mantra of providing solutions that meet the needs of customers from "cradle to grave" was given further meaning with this entry into the health insurance sector. Acacia results were consolidated in 2021.

Our Nigeria business started operations in March 2021 with a clear strategy focusing initially on the retail market of Life Insurance. We view this entry into the largest market in Sub Saharan Africa as an important boost for Enterprise's long-term growth potential.

### Operating Environment

The world economy in 2021 saw the beginning of recovery until the resurgence of COVID cases on the back of the Delta and Omicron variants. This extended the supply chain disruptions and suppressed recovery. However, global growth is estimated to have been 5.9% for 2021. The Ghanaian economy also started showing signs of recovery from the 2020 downturn at the start of the COVID pandemic. Real GDP growth for the first three quarters averaged 5.3% compared to 0.6% in same prior periods. Inflation declined from the year end 2020 of 10.4% to about 7.5% by May 2021. However, the second half of 2021 saw inflation rise to end the year at 12.6%. The increase in inflation was driven by the elevated pressure from the global supply challenges. This led to higher import costs, high fuel prices and the attendant effect on prices of goods and services in addition to the pass-through impact of the exchange rate. The Bank of Ghana increased its policy rate by 100 basis point to 14.5% as a response to curtail the rising inflationary pressures during the year. Government's response to COVID dubbed Ghana COVID-19 Alleviation and Revitalisation of Enterprise Support (CARES) programme entered phase 2 in 2021. Under the CARES programme, the National Development Bank was established to finance growth initiatives. The bank is expected to provide cheap long-term capital for businesses to help grow the economy back.

## Chairman's Review *(continued)*

### Operating Results

The Group's Net Revenues crossed the one billion cedis mark in 2021 with the achievement of GH¢1,164.1m in 2021, an increase of 37% over 2020. Profit after tax generated was GH¢122.9m which was lower than the 2020 profits. The decline in profits generated was on account of a 72% increase in Benefits and Claims payments. This was occasioned largely by high surrenders and early encashment from our Life operation. In addition to this was the additional reserving required in response to the improved Investment Income to cater for the future customer benefits payments. With the pandemic lingering on, our businesses have adapted strategies to enable them to thrive and get to customers in a more user friendly, flexible, and convenient manner.

2021 saw various levels of performance of our subsidiaries across the Group. Our Life businesses in Ghana and Gambia retained their market leadership while the Nigeria Life business is in its formative years but heading in the right direction. The Non-Life and Pension businesses also sustained their leadership of their markets. The Funeral Service business continued to make inroads with their quality services and Properties also improved tenant occupancy of their substantial investment building, Advantage Place.

### Future Planning

While Enterprise has made good progress implementing its long-term plans, 2022 will provide an opportunity to revamp areas that require changes to help achieve our key objectives. It is worth mentioning that while the focus of our strategy remains in place, Management continue to take action when necessary. Overall, we are progressing in line with plan, however the pandemic adversely impacted new business generation in our Life business, which we are addressing through revamping distribution.

### Shareholder Return and Dividend

The Ghana Stock Exchange experienced a positive out turn in 2021. The Composite Index, a measure of the market performance, grew by 43.66% over the negative 13.98% position in 2020. The rebound of the Stock Exchange reflected in the improved overall market capitalisation which added GH¢10bn to end the year at GH¢64bn. Enterprise Group Plc shares contributed to the growth recorded on the market with the 99% growth from the GH¢1.4 per share end of 2020 to GH¢2.79 per share at the end of 2021. The increase of 99% in share price exceeded the 24% growth in Total Assets at the end of the year. The growth seen in our share price on the market in 2021 is welcoming, however we will continue to engage market participants so investors can be fully aware of the strengths of our businesses and better appreciate the value of Enterprise Group.

Your Board is aware that shareholders are important stakeholders in Enterprise Group, and we need to recognise that through significant and progressive dividends. The Board is pleased to recommend a first and final dividend of GH¢0.0744 per share for 2021, an increase of 20% over the 2020 dividend per share paid.

### Our Future

The future is always uncertain and few of us would have predicted the Russia-Ukraine conflict with the resulting commodity price increases and Western sanctions. At this stage, the impact on global economic recovery and the Ghanaian economy of these events is difficult to estimate, although we all can see the immediate effect on prices and business confidence.

Notwithstanding these economic challenges confronting us, our focus will be on investing more in terms of leadership time and other resources in Nigeria to build upon what has been achieved there in the first year of operations. Our Health Insurance business, Acacia Health Insurance Limited, will be fully integrated into the Enterprise family and positioned to create better value to meet the acquisition objectives. Investment in our people, systems, and tools to make us agile to meet the changing needs of our existing and new customers will continue across all our other subsidiaries.

### Shareholder Value

Our share price has seen improvement however we will continue to drive for the market to see the inherent value in the Group reflect in the valuation of the stock and thereby create better value for the shareholders. Our responsibility to continuing create value for our shareholders remains sharply in focus and top priority.

### Final Thoughts

Finally, I would like to put on record our profound gratitude to our Management teams and staff for their determination and loyal service to Enterprise in difficult times. I thank the Board for their continuous engagement and unwavering support over the years through the depth of experience and knowledge they bring to our businesses. To our shareholders and other stakeholders, thank you for your consistent support and confidence reposed in us throughout the years. We remain confident in our people and strategies as we prudently serve policy holders and clients and build value in our various businesses.

### Trevor Trefgarne

*Chairman,  
Enterprise Group Plc*

## Board of Directors - Enterprise Group Plc



(Left to Right):

**Daniel Larbi-Tieku**, Deputy Group Chief Executive Officer

**Sadia Chinery-Hesse**, Secretary

**Douglas Lacey**, Director

**Trevor Trefgarne**, Chairman

**Keli Gadzekpo**, Group Chief Executive Officer

**Fiifi Kwakye**, Director

**Angela Ofori-Atta**, Director

**Michael Tyson**, Group Chief Finance Officer

**Martin Eson-Benjamin**, Director

## Non-Executive Directors of Subsidiary Companies



**Francis Koranteng**  
Director - Insurance  
& Transitions



**Comfort Ocran**  
Director - Insurance



**Dr. Seth Attah**  
Director - Transitions



**Norman John Kelly**  
Director - Life & Trustees



**Abed Botchway**  
Director - Trustees



**Bernard A. Forson jnr.**  
Director - Life



**Amina Oyagbola**  
Director - Life

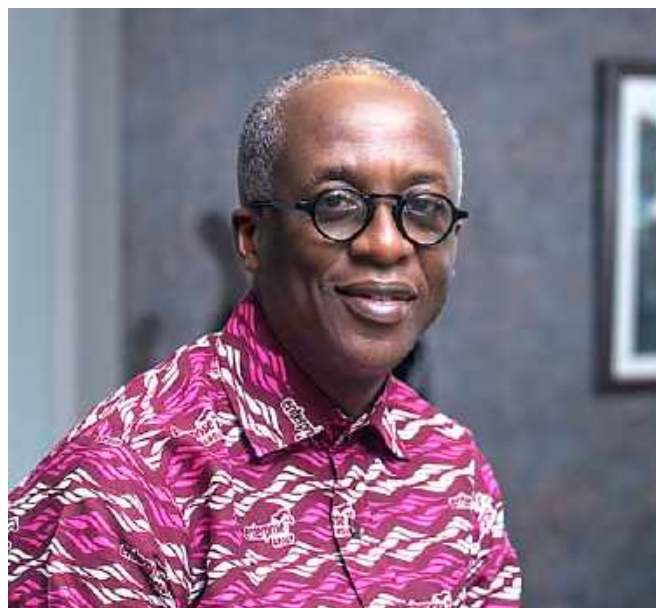


**Kenneth Asante**  
Director - Properties



**Emmanuel Idun**  
Director - Properties

## Group Chief Executive Officer's Review



**Our digital transformation accelerated, both because of the substantial investments we have made over the years and the way the pandemic forced our employees to work remotely. Our West Africa footprint expanded, notably in Nigeria. We ended the year with a stronger Balance Sheet than we began.**

**Keli Gadzekpo**  
Group Chief Executive Officer,  
Enterprise Group Plc

**T**here is no denying the challenges we have faced over the past two years — as individuals and communities, as a company and workplace, and as a global society at large. Many of the old ways of doing things will not be the ways of the future; changes in consumer preferences and behavior have advanced and the future of Insurance, Pensions and Allied Service is digital and borderless.

COVID-19 impacted us both financially and operationally. We kept moving forward though, even as others pulled back. Our fundamentals remain strong, and we continue to invest and pursue our strategy. Our digital transformation accelerated, both because of the substantial investments we have made over the years and the way the pandemic forced our employees to work remotely. Our West Africa footprint expanded, notably in Nigeria. We ended the year with a stronger Balance Sheet than we began. And we distinguished ourselves as industry leaders, both in our response to the Insurance and Pensions market conditions and on the issues impacting our industry caused by the pandemic.

### Business Operating Environment

The economy of Ghana advanced by 6.6% year-on-year by the third quarter of 2021. It was the fourth consecutive quarter of growth and at the fastest pace since the onset of the pandemic in the first quarter of 2020. The first nine months of the year therefore saw a healthy GDP growth averaging 5.3%, which declined to 4.0% at the end of the year 2021. This, however, compares favourably with

growth rates experienced in other African countries over the same period.

The national year-on-year inflation rate was 12.6% in December 2021, compared to 10.4% in December 2020. Food and non-alcoholic beverage inflation was 12.8% with non-food inflation at 12.5%. The 12.6% year-end rate was driven largely by Housing, Water, Electricity, Gas and other Fuels which together recorded the highest increase at 20%, a fall out from rising world crude oil prices and associated cost of inputs.

The Ghana Stock Exchange ended last year as Africa's 2nd best performing Stock Market, in both dollar and cedi terms, reversing three consecutive years losses. In dollar terms, the exchange recorded 38.59% return for investors, whilst investors enjoyed 43.66% gain in local terms. Importantly, investor sentiments had sustained the growth of the market as the bond market also witnessed remarkable growth despite the existence of COVID-19. At the end of December 31st, 2021, the market capitalization had grown significantly to close the year at GH¢64.49 billion from GH¢54.37 billion in 2020 Enterprise Group Plc was one of the best performing stocks with 99.29% growth in its value.

The new Insurance Act of 2021 (Act 1061) came into effect in 2021 after the Bill passed by Parliament received Presidential assent. This law seeks to improve the regulatory capacity and effectiveness of the National

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

Insurance Commission and promote public confidence in the insurance sector. The deadline for insurance companies to recapitalize to the new minimum of \$50 million was 31st December 2021. Both our Life and Non-Life Insurance companies met the minimum capital requirement before the deadline.

### Review of 2021 Performance

2021 marked the second year of our 5-year strategy anchored on the theme “Deliver exponential growth that generates sustainable profits for the benefit of all stakeholders”. This was to be achieved under six key imperatives namely:

1. **Consumer:** To build a consumer-centric company that touches the lives of people.
2. **Innovation:** To cultivate an innovation culture to lead with ideas.
3. **New Markets:** To break barriers into new market segments, channels and geographies in West Africa.
4. **Synergy:** To leverage the Group's structure and strategic partnerships to win together.
5. **People:** To nurture, empower and inspire our people to be the X-factor in meeting our current and future market needs.
6. **Digital Transformation:** To transform the business to keep pace with the digital evolution and lead the digital highway.

### Financial Performance

Our topline results in the pandemic year stand testament to the resilience of our differentiated business model – a customer-centric one, well supported by a diversified distribution architecture, market leading innovation and a trusted brand. We ranked consistently as the number one in both Life and General Insurance sectors in terms of Gross Premium, closing the year with a market share of 18% of the total Insurance industry in Ghana. We also maintained our position as number one Pensions business with 20% of the Assets Under Management in Ghana.

During the fiscal year 2021, we grew our Group Net Income at double-digit rate of 37.3% from \$847.7 million in 2020 to GH\$1,164.09 million in 2021. The key drivers of this performance were:

- A 28.78% growth in insurance premium revenue from GH\$651.39 million to GH\$838.70 million, with our Life Insurance businesses contributing 72.6%, Non-Life 22%, and Health Insurance 5.4% respectively.
- A standout for the year was the uplift in Funeral services fees that increased to GH\$15.5 million, from GH\$10.1 million in 2020, a 53% growth
- Pension fees grew by 29%, while Investment Income increased by 83% and Rental Income up by 134%.

- We continue to have momentum across all our five growth levers — Insurance premium, Pension Fees, Rental Income, Investment Income and Funeral Services Income — as we seek to diversify our revenue.

### Expenses:

Total expenses grew by 50% driven primarily by a 51% growth in Claims and Benefits and 122% growth in policy contract liability. Slowdown in economic activity resulting from the pandemic led to high policyholder surrenders and partial encashments from our Life businesses. Additionally, the high investment returns meant increases in policyholder unit prices and therefore high reserving to meet future obligations. Enterprise Life Nigeria was consolidated nine months after it started its first sales activities with minimal revenue as expected of start ups.

### Profitability:

Our underlying Net Profit after Tax was GH\$122.85million, a decrease of 16% on the previous year. This reflects the high claims payments and reserving provisions made during the year.

### Assets

Total Assets increased from GH\$1,745.51 million to GH\$2,163.32 million during the year. This translates to a 23.94% growth driven by growth in Investment Securities.

### Investment returns

Enterprise Group's investment portfolio consists primarily of interest-bearing money market instruments, equity portfolio and other landed property investments. Equity investments were positively impacted by the performance on the Ghana Stock Exchange which recorded a year end growth of 43.66% (-13.98%: 2020). The average money market portfolio return was 15% (18%: 2020). The combined effect of these was a 73% growth in investment returns from GH\$141.66 million in 2020 to GH\$245.02 million in 2021.

### Creating value for stakeholders

In 2021, the Group achieved a 10% ROE while cash dividends continue to increase. Despite the short-term adverse impact on economic growth, EGL Plc continued to pay dividend to its shareholders. The total annual cash dividend proposed for 2021 will grow by about 20% year on year to GH\$12.7 million. The dividend payout ratio based on operating profit attributable to shareholders of the parent company stood at 38.3%.

### Technology at the core

During the year 2021, digital transformation became the norm. Digital is no longer a good to have – it's now a necessity. Our ethos of leveraging technology and investing in digital assets, with a focus on customer-centricity, paid off handsomely during the pandemic as

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

we were able to seamlessly transition to the digital mode of doing business. With a few initiatives which provided impetus to our digital agenda.

Across Enterprise Group technology interventions in 2021 focused largely on further increasing internal operational efficiencies aimed at improving employee productivity and customer experience. To that end robotic process automation technology was deployed across some subsidiaries and this yielded significant benefits immediately. New payment channels were also introduced to provide customers with additional convenience in paying for their policies.

To help intermediaries to better serve customers, solutions were deployed to grant brokers access to core systems and other applications. Which led to increases in new policy sales as well as renewals.

The core systems also underwent some enhancements across most of the subsidiaries to support innovation and additional operation excellence.

Digital transformation continued in 2021 with solutions including a digital Customer Feedback System for each operating business, customer-led enhancements to the Enterprise Advantage App and Consumer Analytics application. Also, an Omni Channel Platform was developed to present customer-facing staff with a single place to access the history of a customer's communications with Enterprise across the various touch points.

Investments were also made in cybersecurity to further strengthen Enterprise Group's security posture leading to a more robust protection of technology assets and customer data.

### Official Opening of Enterprise Life Nigeria

Following the grant of an Operational License by the Insurance Regulator in Nigeria (NAICOM) in 2020, all actions towards a smooth start were triggered immediately. We opened our doors to the public officially on 1st March 2021 and welcomed our first policyholder, Mr Ibrahim Olaide Muibat of Lagos. We ended the year with 1 Main Office/ Branch office, 11 Sales Managers, 81 Life Planners and 3,085 Policyholders on our books.

### Acacia Health Insurance

Our mantra of "cradle to grave" was amplified with the acquisition of Acacia Health Insurance Limited. This was consummated in June 2021 and processes leading to consolidation started in earnest. The introduction of health insurance into our bouquet of services provides us with wider offerings to our cherished clients.

### Supporting Our People

The health and wellbeing of our people was and remains a key priority, and we have made good progress this past year in developing new initiatives and resources to better support and develop our people.

The design and development of a Group-wide Competency Framework was launched in 2021. The overall result is a comprehensive understanding of each employee's skills set, competency levels, gaps and development needs, which will ultimately improve growth opportunities, increase job satisfaction, improve job security, and enhance the Enterprise Group brand equity.

COVID-19 presented its challenges in respect of movements and travel restrictions, making it near impossible to meet all our people in-person. However, with the strong support of our Technology team underpinning all the initiatives spearheaded by the Human Resources Dept, we successfully navigated the workplace with virtual employee and customer engagements.

Our Employee Assistance Programme provided psycho-social support to all our employees and their families to ensure a balanced work life alignment, which bolstered staff productivity through the year.

### Supporting Our Community

We remain committed to building a more sustainable future by being a responsible business. We strive to make positive contribution to the communities where we operate. A few Community Social investments were made during the year:

- We commissioned a newly built and fully furnished classroom block for the Anglican JHS on the High Street of Accra into a state-of-the-art facility in 2021 at a cost of GH¢ 2.5 million. This structure is made up of a three-storey block comprising nine classrooms, Headmaster's office, one ICT laboratory, one library, en-suite staff room, one Sick Bay and washrooms on all floors. The project was commissioned in 2021 and handed over to the community.
- We donated 2 incubators at the cost of \$20,000 to the Keta Hospital as part of our drive to support Health delivery in the country.
- We further donated an amount of GH¢60,000 to the Rotary Club to support the eradication of polio in Ghana.
- GH¢30,000 was also donated to Caring Sisters in support of relief assistance to victims of tidal waves in Anlo.

We will continue to invest and support the communities in areas that will impact and transform their lives in line with our Corporate Social Investment Strategy and Policy.

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

### We look to the Future with confidence

One of our priorities for the year 2022, and of course for the years beyond is to ensure that we improve on the agility and innovation that stood us in such good stead in weathering the pandemic crisis. This has prompted an assessment of our operational mindset, and we will continue embedding new ways of thinking about our work and operations across the entire Group. And here of course, there is great emphasis on the ambitious application of technology for digitization, controls and other fundamental purposes.

Challenges persist in 2022 and beyond. We are encouraged to see the continuing increase in the number of those vaccinated against the COVID-19 virus, including our employees. Economic recovery is still fragile across the globe. However, we have shown a consistent ability to improve our operating margin and grow our volumes across all our businesses.

- First, continue to focus on managing the pandemic's impact. I am extremely optimistic about 2022. I think we will see the light at the end of the tunnel in the coming months, thanks to the vaccines' impact. However, we will not let our guard down prematurely to keep guaranteeing our employees' safety and health and the quality of service to our customers.
- Second, continue and speed up the transformation process as outlined in our 5-year strategy. We will keep innovating and expanding our product portfolio to continue offering the best customer experience solutions.
- Third, and very important, continue to entrench digital solutions in our operations. Advantage3 was launched in 2021 to provide a platform for our customers to connect with us at their convenience. We will focus on strengthening this solution to drive more consumer adoption with the launch of Advantage4. This should help improve downloads, active usage and enhance new business generation, policy renewals and premium collection across the Group.
- Again, we will leverage on the learnings from our first year of operations in Nigeria to aggressively penetrate the market. A branch network will be expanded in Lagos to improve on the reach to our customers. 3 additional branches will be opened in Ilupeju, Aja and Ikeja.

### In closing,

I would like to take this opportunity to thank our stakeholders for their continued trust and support. Thank you to the leadership team for their unwavering dedication and guidance. I look forward to working with my fellow Board members and the Senior Management Team in taking the Group to a new level of success.

I would also want to acknowledge the contributions of Mr Cleland Cofie Bruce (CC), and Mr Emmanuel Kojo Idun who have retired as Executives of Enterprise Group. Mr Bruce has been instrumental to the birth, transformation journey and growth performance of Enterprise Life Ghana and Nigeria during his tenure, while Mr Idun was pivotal in restructuring Enterprise Group as a Holding company.

Finally, my sincere gratitude goes to all our people for their dedication and commitment during an unprecedented year. Our ability to work together is why we have been able to navigate successfully through this period – adapting and evolving the way we work to keep our people safe, deliver for our clients, deliver shareholder value and continue to support the community.

Thank You.

### **Keli Gadzekpo**

*Group Chief Executive Officer,  
Enterprise Group Plc*

## Enterprise Insurance LTD Report



**The greatest asset we have as a business are our people, who I refer to as the “Beautiful People of the TrueBlue Tradition”. As always, they demonstrated dedication and commitment to our business strategy for the year.**

**Ernestina Abek**  
Managing Director,  
Enterprise Insurance

### Introduction

I am pleased to report that Enterprise Insurance has had another good year, in which we continued to deliver excellent business results. For the second year running, we maintained our market leadership with a 14.25% market share in the Non-life Industry. During the year 2021, we used the insights we received from customer research to develop products and services for the benefit of our consumers. We also made major improvements in our direct customer experience through the introduction of the online and digital platforms and deepened our relationships with our intermediaries.

On the regulatory front, the much-awaited new Insurance Act came into force in 2021. The new Insurance Act, 2021, (Act 1061) replaced the previous Act 724. Among other things, Act 1061 was to increase the regulatory capacity of the Commission; introduce additional compulsory insurances and promote public confidence in the insurance sector. The deadline for insurance companies to recapitalize from Ghs15m to Ghs50m ended in December 2021. As a business we met this minimum capital months ahead of this deadline.

The introduction of the Motor Insurance Database (M.I.D) by the regulator was to avoid undercutting of motor premiums and create a level playing field for all industry players within the motor space. This objective has largely been achieved. We see the regulator becoming more aggressive with its enforcement.

### Business Review

2021 was the second year of our five-year strategic journey which will end in December 2024. Enterprise Insurance started 2021 with our first quarter Motor Insurance Promotion in a “Big Bang” fashion to take advantage of the seasonal rise in motor insurances during the period. Customers were offered promotional rewards when they renewed or purchased a new motor policy. Overall, the motor promotion was successful. Both Policy count and premium went up significantly compared to same period last year.

Our relationship with our key partners, the Brokers and Agents was further strengthened through several engagement platforms. We launched four (4) new products with KEK Insurance Brokers. The products launched are CompXtra; Third Party Amplified; Pet Insure; Home Advantage and these are gradually gaining traction. We seek to partner other brokers for more innovative products to meet our mutual clients’ needs.

Again, in 2021, we dialled up our digital marketing activities to bring our consumers closer to transact and experience our Advantage App and USSD platforms. We saw growth in transactions on both platforms for New Business and Renewal transactions. We believe these platforms are going to be key distribution channels going forward and therefore very important to develop the capacity to meet future needs of our business.

## Enterprise Insurance LTD Report *(continued)*

Our Brand building activities were under the banner of Enterprise Group Brand communication campaign theme, dubbed “Dream Big With US”. This theme was leveraged very strongly in all our consumer communications and every brand platform available to communicate with stakeholders.

### Corporate Awards

In 2021, our performance was seen and recognized by various reputable institutions:

- The Global Credit Rating (GCR) Agency of South Africa revised our rating upwards from AA to AA+ category. For our clients and stakeholders, this simply means we have the financial muscle and ability to ensure that all valid claims are promptly settled.
- Ghana Insurance Awards (Aug 2021) - General Insurance Company of the year 2020 & Major Loss Award (2020).
- Ghana Business Awards (Oct 2021)– EIC was declared the General Insurance Company of the year 2020.
- CIMG Awards (Nov 2021) – Retained in the CIMG Hall of fame for the 5th consecutive year.
- Ghana Accountancy & Finance Awards (Nov 2021) – Claim Initiative of the Year- 2020

### CSR Donation to Accident Victims in partnership with the AVSF

Enterprise Insurance in partnership with the Accident Victims Support Foundation (AVSF) on June 23, 2021, donated mobility aids to some road accident victims.

The items donated were distributed to 7 hospitals across Ghana.

### Company Performance

#### Summary of Key Financial performance GH¢'000

	2021 GH¢'000	2020 GH¢'000	GROWTH %
Gross Premium	335,170	259,686	29%
Net Written Premium	203,451	155,979	30%
Net Premium Earned	184,504	139,574	32%
Net Claims Incurred	(86,688)	(69,184)	25%
Net Commission	(19,360)	(12,068)	60%
Operating Expenses	(64,666)	(52,347)	24%
Underwriting Profit	13,790	5,975	131%
Income from Investment	31,325	25,249	24%
Other Income	7,729	3,537	119%
Finance Costs	(2,601)	(2,388)	9%
Profit Before Taxation	50,243	32,373	55%
Profit After Taxation	35,601	22,415	59%

**Gross Premium:** Gross premium grew by 29% over the same period in 2020. The growth was largely driven by the three traditional portfolios; Motor, Fire and Accident portfolios which contributed 87% to total Gross premium (same as in 2020).

**Net Premium:** This increased by 30% in 2021 (34% in 2020). The growth was largely driven by 2 key portfolios, Motor and Accident with motor driving 79% of the Net premium.

**Claims Incurred:** Claims increased by 25% over prior year. This increase was mainly driven by the increase in the net movement in IBNR valuation which grew in tandem with the growth in net earned premium. This notwithstanding, pure net claims increased by 16% over prior year.

**Operating Expenses:** Our operating expenses grew by 24% over prior year. This was in line with the growth in our business operations which saw us investing in technology and working tools to support our digitization drive.

**Underwriting Profit:** We reported 131% growth in our underwriting profit over prior year, due to a combination of the performance of the key drivers mentioned above.

**New business:** Our improved engagement with our Partners and various intermediaries resulted in new business accounting for 34% of gross premium. New Business grew by 25% over prior period.

**Investment Income** of GH¢31.3million represents a growth of 24% over prior year income of GH¢25.2million.

**Profit after Tax** recorded a growth of 59% over previous year. This growth was driven by the positive underwriting results, coupled with Investment income and other income which grew by 119% over prior year.

# Enterprise Insurance LTD Report *(continued)*

## PORTFOLIO ANALYSIS 2021

GH¢'000	ACCIDENT	ENGINEERING	FIRE	M. HULL	MOTOR	MARINE	AVIATION	TOTAL
GROSS WRITTEN PREMIUM	50,531	26,780	74,581	6,216	168,418	8,568	77	335,170
NET WRITTEN PREMIUM	24,230	1,645	13,336	76	161,318	2,784	64	203,451
NET EARNED PREMIUM	21,632	1,065	11,068	62	147,897	2,737	44	184,505
CLAIMS INCURRED	(9,628)	(538)	(818)	-	(73,335)	(2,320)	(49)	(86,688)
NET COMMISSION	(2,769)	1,636	1,017	628	(20,112)	180	60	(19,360)
EXPENSES	(8,730)	(647)	(7,113)	(323)	(46,560)	(970)	(323)	(64,666)
<b>UW PROFIT/(LOSS)</b>	<b>505</b>	<b>1,516</b>	<b>4,154</b>	<b>366</b>	<b>7,890</b>	<b>(373)</b>	<b>(268)</b>	<b>13,790</b>

## 2021 PORTFOLIO COMMENTARY

**Motor** portfolio still leads as the largest contributor to both Gross and Net Premium Income. The portfolio grew by 27.27% from GH¢132.32m in 2020 to GH¢168.418m in 2021 and it remains the most profitable line, reporting an underwriting profit of GH¢7.89m which is 521% above that recorded in 2020 of GH¢1.27m

**Fire** portfolio remained the 2nd highest contributor to the overall Gross Premium Income representing 22.25% of our Income growing from GH¢60.05m in 2020 to GH¢74.58m in 2021 thereby posting a growth rate of 24.19%. The portfolio made a remarkable growth of 258% in Underwriting Profit growing from GH¢1.16m to GH¢4.15m to close the year.

**Accident** was the 3rd highest contributor to Gross Premium Income and the 2nd highest in terms of Net Premium Income. Gross Premium Income increased by 51% whilst the Net Premium increased by 28%. Gross Premium Income moved from GH¢33.46m in prior year to GH¢50.53m in 2021. This account recorded a remarkable growth of 163% in Underwriting profit improving its results from GH¢0.19m in 2020 as against GH¢0.50m in 2021.

**Engineering** represents 7.99% of the overall Gross Premium Income and posted a growth of 30.46% over previous year's income of GH¢20.52m to end the year with a Gross Premium of GH¢26.78m. Underwriting profit declined marginally by 1% from GH¢1.53m in 2020 to GH¢1.51m in 2021.

**Marine** portfolio contributed 2.56% i.e GH¢8.56m to Gross Premium and grew by 69% over previous year's figure of GH¢5.06m. However, with a loss ratio of 74% this account recorded a negative Underwriting result of GH¢0.21m as against GH¢1.68m for previous year.

**Marine Hull and Aviation** recorded a negative movement of 23.73% in Gross Premium Income from GH¢8.25m 2020 to GH¢6.29m in 2021. Despite the dip, the Net premium Income increased by 37.25% but posted an Underwriting loss of GH¢0.37m.

## Our People

The greatest asset we have as a business are our people, who I refer to as the "Beautiful People of the TrueBlue Tradition". As always, they demonstrated dedication and commitment to our business strategy for the year. In the face of all the difficulties they encountered, adjusting to the "new normal" brought about by COVID-19 pandemic, they braced the odds and ensured that our business achieved the results we see today. As a business, we invested in their welfare, by adopting work modes that ensured their safety and minimised their exposure to the COVID-19 virus. We continued our online monthly capacity building series dubbed "Sunshine Series" which we introduced in 2020 to enhance the technical skills of the team. To ensure a continuous pipeline of innovative ideas, we launched the Ideas Festival during the year. This was designed to get all team members to come up with innovative ideas that will transform our business. We spiced this up by making it competitive among all staff. We had a combination of in-person and virtual engagements to encourage team bonding.

## Outlook for 2022

The year 2022 marks the beginning of the third year in our 5-year Strategy. Our strategies and plan to get us to our strategic ambition will not change. More than ever, we will be bringing our services closer to our customers. Riding on the success of our Same Day Claims service in Accra, we will introduce the Same-Day Hybrid system in the Ashanti region. This will be a game changer for our clients in the Ashanti and surrounding Regions of Ghana. Our brand visibility will improve as we invest in brand building activities all over Ghana. We believe that as we continue to invest in the provision of superior services to our customers, we will win their loyalty for continued business.

## Enterprise Insurance LTD *(continued)*

### Concluding Remarks

We would not have come this far without the support of all stakeholders especially our Key Partners; the Brokers and Agents. I salute them all and appreciate them for choosing to partner with us. I believe we all won together in this year. I also say a big thank you to all our clients for believing in us. The future looks brighter for our mutual benefit.

I know that our people are committed to deliver on the Big Shift Agenda for Exponential Growth. Nothing will stop us from achieving this goal. I believe that by the end of 2022, through our combined efforts, we will deliver more profits and improve the shareholders' value as we pay out more dividends to the owners of our business.

Our Digitization Agenda will continue in earnest, and we will begin to reap the benefits of the huge investments we have made in this space especially with the introduction of our online or digital channels which will enable clients access our services quickly and everywhere.

I make special mention of our Board of Directors, who have been very instrumental in our success story. They have provided us with direction and guidance and the support we needed to enable us to succeed. I am truly indebted to them.

There are exciting times ahead. I see that our business is on course to becoming the Great First choice partner; extending our market leadership and becoming a household Brand. I look forward to another successful business year ahead.

### **Ernestina Abeh**

*Managing Director,  
Enterprise Insurance*



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## Enterprise Life Assurance LTD Report



**Our premium collection rates saw an improvement from 88% to 90%, our digital utilization rate has improved from 45% in the prior year to 57% in 2021.**

**Our Gross Premiums grew by 17% and crossed the Ghs600m mark to Ghs 607m.**

**Jacqueline Benyi**  
Managing Director,  
Enterprise Life



### Introduction

Being the “post-covid” year, 2021 was expected to be the year of recovery and growth for the global economy, with most restrictions relaxed or suspended. For Enterprise Life, 2021 proved to be a challenging year for all our core distribution channels.

The insurance regulator (NIC) continues to focus its attention on compliance measures and good governance initiatives. The Regulator has been firm to insist that the deadline for the implementation of the New Minimum Capital Requirements would not be changed from the revised deadline of 31 December 2021. This implied that most of the players yet to meet the requirements were in danger of losing their licenses. As at the end of the year, it is understood that all the major players have complied with this directive. Whilst we do not anticipate any major upheavals in this regard, we do foresee some mergers taking place.

Enterprise life sustained its leadership of the Life Insurance Industry with 24% of Market share, in a market of 20 active players.

Our relentless passion on the customer's experience in the past few years to give them their true advantage in terms of how we serve them, was kept in sharp focus throughout the period. Our efforts at this were duly recognized by our customers which led to being recognized at the 4th Ghana Customer Service Index as the Customer Service Leader in the Ghanaian Insurance Market.

Working closely with our customers to achieve our objective of providing solutions that meet their needs we enhanced two (2) retail solutions now referred to as Bloom (our all-ladies product) and the Family Income Security Plan (a pure risk product). Similarly, we also enhanced our Bofo Pa product that serves the informal sector.

Enterprise Life continued to implement the significant process improvements and technological innovations that were set in motion in the years pre-covid. These investments put us in a perfect situation when the covid-induced lockdowns were enforced. We have not relented in these efforts, and in 2021, we made significant strides and investments in the process improvement and technological space to further improve the robustness of our business operations.

To buttress this point, our premium collection rates saw an improvement from 88% to 90%, our digital utilization rate has improved from 45% in the prior year to 57% in 2021. Our Gross Premiums grew by 17% and crossed the GH¢600m mark to GH¢ 607m.

However, Profit Before Tax showed a decline of 35% to GH¢96.3m. This was due largely to an increase in Claims and benefits payments and an increase in actuarial provisions to cover the increase in investment returns and its impact on the Unit prices.

Though overall a tough year for the business rays of light shown through with the company being recognized for the following awards:

## Enterprise Life Assurance LTD Report *(continued)*

- 2021 CIMG Life Insurance Company of the year (Chartered Institute of Marketing Ghana)
- Life Insurance Company of the year (Ghana Business Awards)
- Most Broker Friendly and supportive Life Insurer for 2021 (Insurance Brokers Association of Ghana)

### Premium Income

A total of GH¢607m was generated in gross premium in 2021, a growth of 17%.

Individual business contributed 90% of the total premium (compared to 87% in 2020). This segment grew by +21% (same growth as in the prior year).

The share of Group business on the other hand declined from 13% in 2020 to 10% in 2020. Group business had a particularly challenging year, with revenue from this segment declining by -11%.

Net premium was GH¢596m, representing a growth of +18% over prior year 2020.

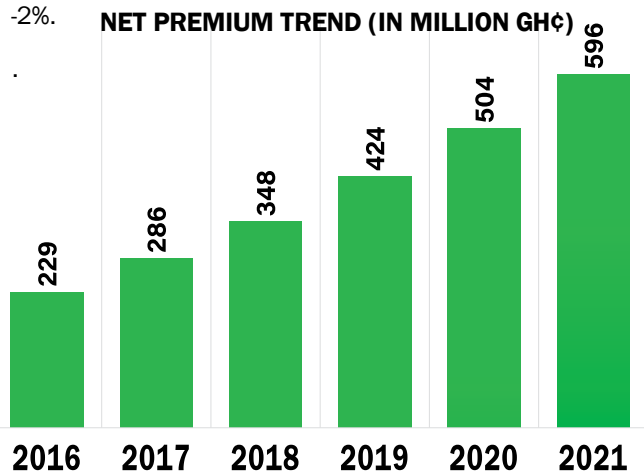
The performance of the Individual life segment was on account of improved collection rate to an average of 90% (from 88% in 2020), a Higher Average Premium Income (API) for new businesses generated, and improved persistency rates.

We chalked great strides in the group business segment in the prior year, with an impressive +47% growth.

However, in 2021, the Group business segment (made up of corporate risk, Credit Life, and Informal Markets) recorded a combined decline of 11%, largely on account of a 22% decline in Credit Life business. There was a general decline in Bank credits resulting in lower premiums from the credit life segment.

Our special markets segment on the other hand continued to show promise, by increasing its premiums by +40% from GH¢2.5m in the prior year to GH¢3.5m in the current year.

Despite the overall growth recorded in gross premiums, new business generation (count) remained weak, declining by -2%.



### Investment Income

Total net investment and other income grew by +89% (compared to the +39% growth in 2020).

This was on account of a +39% increase in our investment portfolio and the excellent returns thereon, especially with the reversal of the significant losses incurred on our equity portfolio in the prior years. The composite index of the GSE increased in 2021, after a consecutive 2-year decline. The index recorded a gain of +43.66% in 2021, compared to a loss of -13.98% in 2020).

Our investment portfolio is weighted heavily towards the long-dated government of Ghana securities. The approach adopted to secure policy holders' funds, remained the underlying principle for the funds.

Equity investments currently make up about 11% of our investment portfolio (this was 10% in the prior year).

### Total Expenses

A net total of GH¢700m was spent on operating expenses. Total expenses grew by +53% in 2021 (compared to +15% in 2020).

Though general management and selling costs over the period have remained stable at 15% of gross premiums, the total Expense ratio deteriorated from 91% in 2020 to 118% in the current year. As explained earlier, this was due largely to increases in claims cost and actuarial liability provisioning.

### Benefits and Claims to Policy Holders

Where it matters most, we honored our promise to our policyholders by paying GH¢277m in claims and benefits to our clients. This was a +44% rise over 2020. Enterprise Life remains by far the biggest claims payer in the industry. Our claims handling and payment process has now been fully digitalized, making it smoother for our clients to make claims.

Benefits and Claims remains the largest spend item, representing 40% of total operating expenses. Benefits payment on our investment linked products remained one of the key areas we saw payments to our customers aside the claims on the risk products.

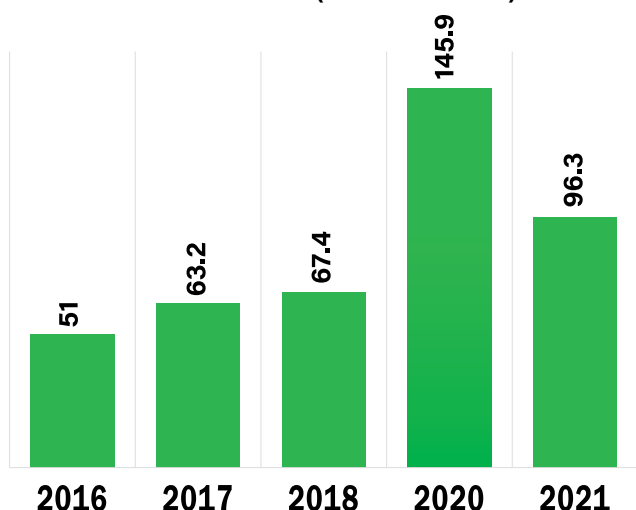
**Reserving for actuarial liability** constituted 34.2% of total expenses (24% in 2020). This line represented the most significant change in 2021, from GH¢108m to GH¢239m, a growth of +122% over the prior year. This exceptional charge was as a result of additional required provisioning to reflect the change in unit prices.

## Enterprise Life Assurance LTD Report *(continued)*

**Selling expenses** constitute 13.4% (19% in 2020), whilst management expenses constitute 13% (16% in 2020) of the total expenses. Selling expenses grew by +11% in the year, whilst management expenses grew by +25%.

### Profit before Tax

**PROFIT BEFORE TAX (IN MILLION GH¢)**



Profit before tax declined by about -35% over prior year to GH¢96m in 2021. The decline in profits was largely on account of the increase in claims expenses and the change in actuarial liability assumptions as explained above.

### Total Assets

Total assets grew by 25% from GH¢1,016m to GH¢1,272m.

This growth was largely contributed by a combined 39% growth in Investment securities (Debt and Equities). Investment properties however also saw a decline by -6%, largely on account of revaluation losses.

### Value of New Business (VNB)

Value of new business reduced from GH¢75.5m to GH¢70.1m, a decline of -7% over the prior year. This was largely influenced by decline in new business growth, and the impact of the change in the mortality assumptions for our flagship FFPU product.

### Embedded Value (EV)

Embedded Value declined by GH¢43.9m (5.6%) from GH¢775.2m in 2020 to GH¢731.3m in 2021.

EV measures the net worth of the business looking at the present value of the future profits taking into account net assets and the cost of capital.

The EV is made up of The Net Assets value and the Value of In-force Business, less the cost of required Capital. Net assets value grew by +1% whilst the Value in force business declined by 9%, largely due to actuarial basis changes. The

cost of required capital also declined by 3.7%.

### Individual Life

The retail arm of our distribution remained core to our business. It contributed 90% of our Gross premiums, compared to the 87% in 2020, 89% recorded in 2019, and the 88% recorded in 2018.

### Group and Corporate Business

Group and Corporate business experienced a challenging year. As explained earlier, there was a decline in 2021. This resulted in the decline of its share of total premium from 13% in 2020 to 10% in 2021.

Nevertheless, we were able to sign on 3 additional Banks onto our credit life portfolio. These accounts are expected to generate significant revenues in subsequent years.

As in the previous year, the corporate Risk side of our business made positive progress in getting new partners and we expect to announce new bancassurance relationships in 2022.

We also signed a partnership agreement with Insurope International to give us greater access to multinationals and other international businesses in the country.

### Subsidiaries

Our two subsidiaries, Enterprise Life Gambia and Enterprise Funeral Services, continue to make steady progress.

**Enterprise Life Gambia** business grew its net premium by +23% (compared to 13% in 2020) and increased its profit by +3%. The business recorded a profit of GH¢1.2m from the Ghs1.1m recorded in 2020. Enterprise Life Gambia remained the leader in the Life insurance sector of The Gambia with market share of 81% (from 75% in the prior year) of the Life sector at the end of the year, and 19% (18% in the prior year) share of the total insurance sector.

**Enterprise Funeral Services (Transitions)** grew their revenue by 53% from GH¢10.1m to GH¢15.5m (this compares to the 31% growth in 2020). The business has seen a boost in sales following the relaxing of the covid related restrictions that seriously impacted the business the prior year.

The business was able to record Profit for the first time, after nearly breaking even in the prior year. It recorded a Net profit of GH¢2.4m compared to a target of GH¢1.4m.

### Our People

The business pays particular attention to its people, by investing in quality human capital and creating the conditions that will strengthen and sustain the resilience

## Enterprise Life Assurance LTD Report *(continued)*

of our people to perform at their optimum. The business continues to invest substantial amounts in the training and development of our greatest asset at all levels. This was demonstrated with the restructuring and expansion of our training academy over the period under review.

Investment in our people will remain central to our activities, as without the right people with the right training and capacity we will not be able to achieve our future set goals.

### 2022 – Looking forward

The key thrust for 2022 will be, to continue to be different and better at what we do, whilst adapting to the changes in the business environment. To ensure we continue not just to grow but to thrive and sustain our market leadership.

Our priorities for 2022 are distilled into the following key points:

- New business growth
- Manpower growth and retention within the distribution segment
- Continued Process efficiency
- Human capital

We believe that the contrasting experience of our performance in 2020 and 2021 has made our business more resilient, agile, and responsive to the changing needs of the industry and our customers. We are strengthened and better positioned to run with 2022.

### Jacqueline Benyi

*Managing Director,  
Enterprise Life*



*Diana Hamilton*

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## Enterprise Trustees LTD Report



**We introduced two industry first initiatives - A mobile van service – Pensions Express and our value-added service on Pension backed mortgages and loans. The solutions no doubt, have raised the bar of service excellence in the pensions industry.**

**Joseph Ampofo**  
Managing Director,  
Enterprise Trustees



### Introduction

It's a pleasure to come to you once again with a report on the activities of Enterprise Trustees for the year under review.

Economies across the globe continued to recover from the impact of the pandemic, as a result of the administration of COVID-19 vaccines and social distancing practices. The stock market in Ghana turned in a solid performance with strong performance from fixed income securities impacting positively on returns to members. Our schemes provided net returns between 17% to 19.5% for members during the year under review.

Our theme for the year was focused on improving service experience and enhancing engagement with members. To this end, we continued investment in enhancing our technology solutions as well as improving our Know Your Customer (KYC) to enable us to engage our members effectively. In addition, we introduced two industry first initiatives - A mobile van service – Pensions Express and our value-added service on Pension backed mortgages and loans. The solutions no doubt, have raised the bar of service excellence in the pensions industry. We continued to focus heavily in the area of retirement benefit processing for those who were due to begin their retirement in 2021.

In the Year under review, we were awarded the Corporate Trustee of the Year at the Ashanti Financial Excellence Awards.

### Financial Performance Key Financial Data

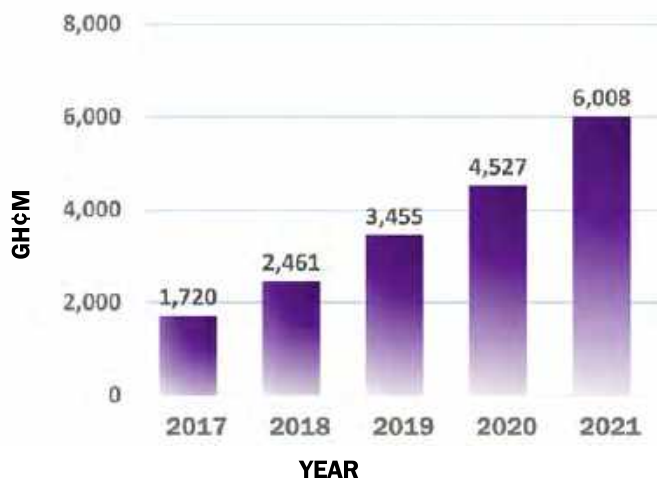
	2021 GH¢'000	2020 GH¢'000
<b>Fee Income</b>	43,996	34,105
<b>Expenses</b>	21,109	18,207
<b>Profit before tax</b>	28,832	20,746
<b>Total Assets</b>	53,493	43,777
<b>Shareholders Fund</b>	42,542	31,851
<b>Assets Under Management</b>	6,008,366	4,527,464

The company's financial performance improved in the year 2021 notwithstanding the challenging financial environment as a result of the pandemic among others. The Total Assets of the company as of 31 December 2021 was GH¢53.5million which represented 22% growth over the 2020 figure of GH¢43.8 million. The core of this growth was as a result of increased investment in government bonds of about 22% over the previous year which represented about 63% of Total Assets. Non-current assets registered a negative growth of about 15% over the 2020 figure which was mainly due to the effect of lease remeasurement in accordance with IFRS 16. The growth in total assets of the business was financed mainly from fee income generated from core operations. Fee income which was the main driver of the financial performance

## Enterprise Trustees LTD Report *(continued)*

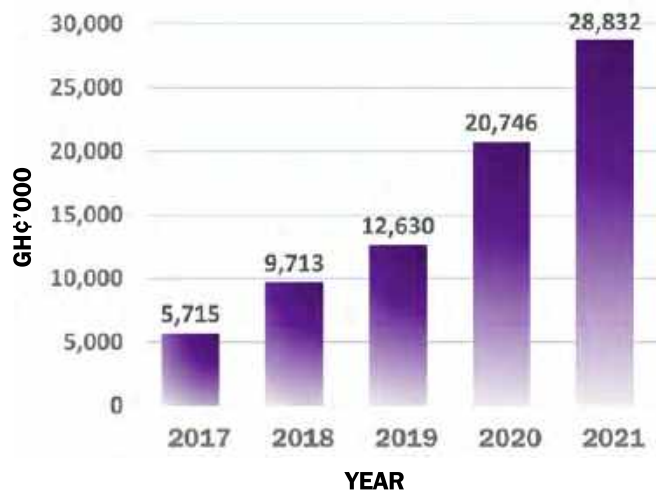
recorded a growth of 29%, from GH¢34.1million in 2020 to GH¢44million in 2021. This was as a result of growth in the Schemes Assets under Management (AUM) which increased from GH¢4.5billion in December 2020 to GH¢6.0billion in December 2021 representing 32.7% growth rate. The AUM of GH¢6billion excluded Temporary Pension Fund Assets (TPFA) of about GH¢593million under the Health Sector Scheme which is pending allocation as we are yet to confirm member data received in terms of its accuracy to enable us allocate to the members. Consequently, the business did not earn fee income on this TPFA assets. The trend in AUM is depicted in the graph below:

### FIVE YEAR AUM TREND



The seven Master Trust Schemes made a significant contribution to the Fee Income. As a growing business, we continue to invest in the key strategic focus areas of the business to sustain growth and profitability. Consequently, management expenses grew by 15.94% from GH¢17.2million to GH¢20million during the period. The main cost drivers in management expenses were investment in technological innovation which enabled staff to work and serve our dear customers in the 'New Normal'. Further, we continued investment in improving customer experience, especially regarding pensions education via Webinars, relationship management, Enterprise Call Centre and the 'Pensions Express'. The profit before tax for the year was GH¢28.83million representing about 39% growth over the 2020 figure of GH¢20.75million. The trend for the past five years is depicted in the graph below:

### FIVE-YEAR PBT



Shareholders fund grew by 33% from GH¢31.9million to GH¢42.5million in 2021

### Corporate Governance

The Scheme Board held its quarterly meetings to review the affairs of the Schemes in accordance with section 38 of the National Pensions Act, 2008 (Act 766).

The total trustees serving on our 7 master Trust Schemes remained the same. There was no exit or addition to the membership.

As part of good Corporate Governance and institution of best practices, an Audit and Compliance Committee was instituted by the Board of Trustees of all the seven (7) Master Trust Schemes to exercise oversight responsibility over the Scheme's financial reporting and compliance matters.

In accordance with Section 7 of Occupational and Personal Pension Schemes (General) Regulations, 2011) two trustees who had not participated in the Executive Pension Management Course due to COVID 19 restrictions were enrolled by the Pension Management college and completed the program successfully.

### Regulatory Environment

The National Pensions Regulatory Authority (NPRO) continued its drive to increase voluntary pension contribution in the informal sector. As part of this drive the Regulator held a National Pensions Awareness Week celebration. Key activities held include Sensitization of Cocoa Farmers in Sunyani, Informal Sector Forum in Kumasi, Public Lecture at Cape Coast, Visit to Traditional and Religious Leaders and Market Activation at Ho.

## Enterprise Trustees LTD Report *(continued)*

The Regulator also issued revised investment guidelines for implementation by Industry players. The guidelines are aimed at making investment classes more adaptive to the evolving nature of the pension industry and to address the members risk appetite over their working life.

Again, an 11-member board was inaugurated for the NPRA.

### Retirement Benefit Payout

At the end of December 2021, we paid out GH¢38.8million in lump sum retirement benefits to Two Thousand and Fifty-Eight (2,058) scheme members. As your Corporate Trustee, we remain committed to ensuring that members receive their due benefits within the shortest possible time.

### Member Engagement Sessions

Despite the continued limitation on physical interactions, we engaged members through webinars. We held a Stakeholder forum for Employer Contact persons where we gave updates on the performance of the schemes entrusted in our care.

We also held a retirement planning session for members between the ages of 51 to 59 on how to prepare adequately for retirement.

To crown the year, we held a cocktail engagement session with some key clients to deliberate on the year and network.

### Launch of Mobile Van Service - 'Pensions Express'

In April 2021 we officially launched our mobile van service – Pensions Express. The mobile service was introduced to augment the existing platforms to improve service delivery to members and also drive penetration into the informal sector. The service works as a fully functional Mobile Branch Office. The van is fully equipped with all the necessary logistics an office needs. The solution does not require access to client power sources on site, as it comes with solar panel fitted innovation.

The Pensions Express has greatly improved our engagement with members in non-urban areas. At the end of December 2021, the team visited 137 facilities across the country.



## Enterprise Trustees LTD Report *(continued)*

### Pension-Backed Mortgages and Loan Services

As part of efforts to unlock home ownership potential in the National Pensions Act 2008 (Act 766), we partnered with some financial institutions to launch the Pension-backed mortgages & Loan solution. Under this partnership agreement, Enterprise Trustees will make available to all workers, whose pension funds reside at Enterprise, a package that enables them to attract mortgage from partner financial institutions with zero down payments.

### Our People

Consistently, our people continue to be an integral part of our performance as a business.

We continued our agile working mode with about 80% of our staff working remotely. This was to minimize the rate of infections to ensure the safety of staff.

To boost the morale of our Retirement Advisors, we opened an Advisors Hub. This dedicated office space gave Advisors a place they could call their own.

### 2022 In Focus

The Year 2022 marks a significant milestone in the life of the business as we mark 10 years of providing quality pensions administrative services in Ghana. As part of the activities earmarked to mark this milestone, we intend to launch Enhanced features of the Enterprise Personal Pension Plan and officially outdoor our post retirement solution – Purple Drawdown.

As a result of the revised investment guidelines, we will review the scheme investment policy and implement the new guidelines to ensure that our members benefits from the opportunities accordingly.

We will also deepen member engagement by complimenting the mobile van Service Pensions Express with additional vans and resources.

On behalf of Management, I wish to extend my sincere appreciation to the Enterprise Trustees Board for their continued support over the past year.

We also thank our Regulator – The National Pensions Regulatory Authority, our various fund managers and custodians for your support throughout the year.

To our cherished clients, thank you for your loyalty and valuable feedback which challenges us to be better each day.

Finally, to our staff, thank you for your hard work and dedication to delivering excellent consumer experience. Ayeekoo.

I wish you all the best in the Year ahead and please stay safe.

### Joseph Ampofo

*Managing Director,  
Enterprise Trustees*

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## Enterprise Properties LTD Report



**We switched from a Net Promoter Score index to a Customer Satisfaction Index [CSAT] in 2021. We conducted two [2] CSAT surveys in 2021 which culminated in an end of year weighted score of 69% [benchmark: 65%] over our three main business areas of facility and property management and projects.**

**Kwadwo Nini Owusu**  
General Manager,  
Enterprise Properties

### Dear Fellow Shareholder,

**T**he year 2021 has been a very eventful one in the wake of challenges from COVID-19 which most businesses in Ghana thought will abate– it did not. Throughout, our attention was fixed on the safety and wellbeing of our people and the clients we serve. It has been a year in which we continued to focus on creating more value for our consumers, shareholders and communities.

Our people and professionals deployed at client sites ensured that both client facing and back-office support areas were consistently fumigated and sanitized to ensure the utmost safety to our clients and staff. In keeping with our new operational model that transitioned us to working from home, we overcame the many difficulties associated with a loss of face-to-face interactions to continue furnishing excellent advisory and support service to all our stakeholders.

We are also proud of our efforts made in digitizing most of our processes in procurement, tendering, property and facility management ensuring continual service quality in sync with our 5-year strategy plan evidenced in our ratings in our customer satisfaction surveys run across the bouquet of services we offer.

We thank our team for their abundant hard work and increased employee engagement levels, they have indeed been the x-factor that has propelled the business forward. The public health crisis has truly brought out the very best in them.

### Operating Performance

The property market was relatively flat during the year, with negotiation power residing firmly in the hands of tenants. In the grade A office sub sector, vacancy rates worsened as most corporate offices sought to shrink their office space needs on the back of very low international demand for space. However, our performance within this context was very good. Occupancy within our key investment asset, Advantage Place, increased by 20% on the back of 6 new leases and 2 renewals. This translated into a little more than 2,000 square meters of space being let on an average lease period of 3-years.

Compared to 2020, rents in 2021 trended downwards in both the residential and the office space market. In the residential market there was an average decline of 25% and in the office space market, rents declined between US\$2-US\$5. We identified that most investors and property owners offered concessionary rates to attract and retain tenants as the pandemic continued to push market dynamic towards a tenant dominated market.

This was not different from Advantage Place as concessions were granted to our retail business tenants yielding a 2-fold reward:

- i. All the businesses have remained in operations complementing Advantage Place with their services of health, fitness and catering/restaurants.
- ii. There have been zero deviations on contracted revenues and collections are at 100% as at year end.

## Enterprise Properties LTD Report *(continued)*

Rent collections have remained strong in 2021 and despite the economic headwinds prevailing are at over 95% of contracted revenue. Our bottom line reflects sustained profitability supported by strong operating cashflow performance. Our performance in 2021 has highlighted the increased resiliency that the team has built in the face of the pandemic and our pursuit of service quality.

On projects delivery, we executed 20 projects ranging from branch facelifts, new constructions, satellite offices and back-office support areas. As at the end of the year, 80% of all projects had been executed and notable among these were:

- i. The construction of a three-storey classroom block for the Bishop Senior High School as part of Enterprise Group's corporate social responsibility agenda.
- ii. The renovation of Spintex, North Industrial and Cape Coast branches.
- iii. The relocation of Achimota and Earl Beam branches to improve service delivery.
- iv. The completion of the Takoradi Market – a one stop shop for customers to access all the services of Enterprise at one location, the first of its kind in the Western Region.
- v. CCTV and access control at 17 branches to improve security at our major touch points in the phase 1 of our security, health and safety drive.

We continued to improve our ongoing physical assessment of all our locations in 2021. This culminated in the finalization of our stock condition database providing a platform to comprehend and be proactive on planned maintenance needs for all our branches and touchpoints.

Delivering optimum client and end user satisfaction remained a key focus and to improve our understanding of our customer needs and gauge the levels of service quality needed to crystallize our strategy, we switched from a Net Promoter Score index to a Customer Satisfaction Index [CSAT] in 2021. We conducted two [2] CSAT surveys in 2021 which culminated in an end of year weighted score of 69% [benchmark: 65%] over our three main business areas of facility and property management and projects.

Our client satisfaction levels increased in 2021 and based on a simple word of mouth dipstick survey of our competition, EPL is leading our local and international peers in Ghana. We are developing deeper and more meaningful relationships with our clients and it tells us that the significant investments we are making in talent and technology are paying off.

## 2021 Financial Performance

Key highlights of our performance during the 2021 financial year include:

- Consolidated revenue for the year increased by 18.7% to GH¢16.5million (2020: GH¢13.9million). The increase was attributable to the addition of new lets at AP, as well as organic growth in other business units.
- Profit before interest, tax increased by 246% to GH¢18.0million (2020: GH¢7.3million). This was largely attributable to exchange gains on our investment properties.
- Net finance costs decreased by 49.3% on the back of restructuring our existing interest-bearing debt over a longer tenure.
- The consolidated bottom line provides an improved liquidity position of an interest cover of 11.5 times (2020: 2.1 times).
- EPL's statement of financial position remains healthy, with moderate gearing [8.7% of total assets]. Total assets have increased by 6.6 % to GH¢298.8 million (2020: 280.2 million).

## Prospects

The Ghanaian operating environment during the period of review proved challenging. The emergence of new regulations for the real estate sector provided a glimpse of the intention of how the industry will be expected to evolve. These new regulations broadly sought to address transparency within real estate transactions, generate revenue for the government and license the main intermediaries within the industry. However, in light of a lack of a strong enforcement institution we await on the realization and implementation of the law.

We recognize the 'new normal' and are intensely aware of the changing paradigm on our market segment. Inasmuch we take a very cautious stance in light of the continuous presence of COVID-19, we remain steadfast that our strategy provides our stakeholders a pathway to excellent returns - mid to long term.

We continue to improve on our key success factor – our people. Building a world class team remains ultimately our catalyst for executing our strategy and management is highly committed to improving the team to be the best in our industry within the country and sub-region.

## Enterprise Properties LTD Report *(continued)*

### Close

I strongly believe that irrespective of the challenging backdrop we operate in, I feel prouder than ever of our teams' efforts in these testing times. Therefore, I wish to reiterate my thanks to all EPL's employees. While there is still so much to do in 2022, we know where we are heading and what we want to achieve, which once again demonstrates our determination to safeguard the needs and interests of our consumers and shareholders.

### **Kwadwo Nini Owusu**

*General Manager,  
Enterprise Properties*



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## Transitions Report



**Our outstanding performance in 2021 resulted in the business recording its first profit since it started operations. This achievement gives great testament to the agility, resilience, and strength of our Team.**

**Genevieve Cornelius**

General Manager,  
Transitions



### Introduction

The year 2021 started as a very dynamic year with the Group's 5-year strategic goal of achieving Two Billion Net Income (2BNI) and our six (6) strategic imperatives by the end of 2024 remained unchanged despite the impact of COVID-19; a true test of our adaptability. Regardless of the negative impact of the pandemic on economic activities which largely affected the funeral industry, Transitions, the leading Funeral Home in Ghana continued our campaign of maintaining and sustaining our leadership in the funeral industry by delivering our stress-free funeral solutions to all our clients.

Our outstanding performance in 2021 resulted in the business recording its first profit since it started operations. This achievement gives great testament to the agility, resilience, and strength of our Team. We continued to invest in the training and development of our people, to fully unlock their potential for exponential growth.

We have not been complacent with the success recorded in attaining market leadership position. The business has invested in research activities to gain a broader understanding of the funeral industry as we work effortlessly to lead with Innovation in the Ghanaian funeral industry. This desire has led to the creation of the industry's first feedback portal which allows customers to share their experience in real-time with Transitions as they move through their customer experience journey with us. Interestingly, this solution has been Transitions' unique contribution to the Group Synergy pillar as it has been

deployed across all other Enterprise Group subsidiaries. Impactfully, the pandemic has led to the rapid drive for the digitization of our services away from the conventional ways of doing business. The needs of our cherished customers would continue to be the key principle guiding innovation to make the process of engagements seamless and convenient.

### CSI Investments

The year 2021 had some key Corporate Social investments by the Enterprise Group PLC which Transitions was a contributor. Nonetheless, in fulfilling our socio-environmental obligation to the community in which we operate, Transitions supported the Autism Awareness Care and Training Centre at Haatso with a seed money of GH¢10,000 in support of the establishment of a Kente weaving loom. The project will provide an opportunity for children living with autism to learn a less risk-exposed vocation.

### Strategic Objectives

The Strategy theme for 2021 and beyond is "Celebrating Life, the Transitions way" which seeks to position the business as a brand that provides quality and convenient funeral services to families in a way that honors their departed loved ones. The focus is to make funeral arrangements for loved ones very seamless and hustle free. Continuous investment in our people, technology, and offering innovative products and services underpin the theme. This is expected to translate into business growth that delivers value to our stakeholders.

## Transitions Report *(continued)*

### Financial Highlights

The Business had progressive positive performance despite the ravaging impact of COVID-19 on the funeral industry. The Business met all its financial target for the year under review with strong growth. This performance helped in strengthening the Balance sheet that provided capacity for reinvestment and growth in the medium to long term.

### Revenue

Revenue for the year 2021 grew by 54% over prior year. Despite the reintroduction of the Assurance product in 2020, walk-in sales continue to be the key channel driving revenue growth in the short to medium term. As the file of the assurance product grows, it is expected that claim services from that channel would begin to contribute significantly to revenue. Hearse service, caskets sales, chapel services and undertaking services were the key product/services that contributed almost 75% to total core revenue. The business also earned commission from the sales of the assurance product which contributed 13% to total revenue. With the improved cashflows resulting from good performance, the business placed funds in short term investment portfolio that yielded returns as shown as other income in the Statement of Comprehensive Income.

### Total Expenses

Cost of sales during the period under review was the main concern of the business as external factors influenced by COVID-19, induced an increase in foreign transactions, especially the cost of shipment. The cost of shipment increased by more than 400% percent since the global outbreak of the virus in 2020. The Business took measures that mitigated the impact of these external conditions on its financial performance.

Operating expenses grew by 18% over prior year due to inflationary pressures and growth in business activities. The major contributors to administrative expenses include personnel cost, depreciation and occupancy cost.

### Net Profit/Loss

The business recorded its first operating profit since it commenced operations four years ago. Profit after tax for the year was GH¢2.4 million against net loss of GH¢0.36 million recorded in prior year (2020).

### Market Analysis

Through the volatile periods of 2021, it was clear that the global funeral industry is slow to change and largely remains a laggard innovation diffusion. Regardless, the funeral industry is still evolving as families and institutions are getting to understand the importance of giving their loved ones a befitting burial using a funeral home, that also gives them the extra value of a stress-free funeral planning

process. The joy for us at Transitions is the opportunity of a first market advantage through our constant innovation and brand differentiation against other competitors.

We launched a price perception campaign in January 2021 to help drive the key value proposition of the business; Convenience, stress-free, 360-degree funeral solutions. The uptake of the campaign was very successful, evident in our financial performance.

### Awards and recognitions:

Our remarkable performance has led to several recognitions within a short period of time, notably amongst them includes;

- Funeral Company of the year, 2020 awarded by the National Customer Choice Awards
- West African Business Excellence Awards Ghana, 2021 – Funeral Insurance Plan of the year

### Risk Factors

Despite the inherent risks associated with a funeral business, Transitions has demonstrated capacity to mitigate these risk factors for the benefit of stakeholders. With the support of Enterprise Group Plc risk department, the business established sufficient systems and control that reduced any possible incidence. Some of the major risk factors include COVID-19 which continues to be the main risk to the business as it has direct and indirect impact on the funeral industry. Other risks include health and safety, market risk, etc.

### Assurance Product

Transitions Plan, the assurance product that offers our customers financial solutions, is available on the market. The product was reviewed and made flexible, allowing everyone living in any part of Ghana to buy. It is a service product that allows one to pre-plan the funeral requirement for himself and/or loved ones. Enterprise Life currently owns and distributes the policy whilst Transitions delivers the service. The convenience that comes with the assurance product is unmatched and we expect it to be the main driver of Transitions business in the long run.

### Product and Services

Should the inevitable happen, Transitions offers 360-degrees, one-stop-shop funeral service solutions center including but not limited to;

- Deceased pickup services
- Deceased Embalming
- Wooden Caskets (of all types)
- Storage
- Washing, dressing and beautification
- Hearse services

## Transitions Report *(continued)*

- Home undertaken services
- Chapel and reception facilities
- Repatriation services
- Vigil services
- One-week celebration

### 2022 in Perspective

The coming year looks very positive as we strive to consolidate the financial gains achieved so far. Our quest is to establish Transitions as the funeral home of choice providing customer reliable and convenient funeral solutions. The business will leverage technology to drive growth in the short to medium term.

We will continue to develop tailor-made products and services for our customers that suit the times we are in. Transitions will also leverage on strategic partners both locally and internally to create value for its stakeholders.

### Genevieve Cornelius

General Manager,  
Transitions

# Transitions

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## Enterprise Life Assurance Company (Nigeria) Limited Report



**The main thrust of our plans for 2021 was to lay a solid foundation that will yield future prosperity for the business, the focus was to align the fundamental building blocks of our Distribution Model to position the business on the path to sustained growth.**

**Funmilayo Omo**  
Managing Director,  
Enterprise Life Nigeria



### Introduction

The year 2021 was the first year of operations having received our license in November 2020 to participate in the Life Insurance space in Nigeria. The main thrust of our plans for 2021 was to lay a solid foundation that will yield future prosperity for the business, the focus was to align the fundamental building blocks of our Distribution Model to position the business on the path to sustained growth. This involved the setting of standards in the way we recruited, trained, developed, managed, and supervised and remunerated our life planners to entrench our core values of Friendliness, Professionalism, Trust, Reliability and Excellence to drive quality across the length and breadth of business.

The macroeconomic environment remained very challenging in 2021 as COVID-19 pandemic resurged with new variants, which continued to significantly impact business globally. Nonetheless, it was a notable year for our business as we set out to provide Nigerian families with a New Life.

On the domestic front, the Nigerian economy continued the path of recovery as the economy showed sustained positive growth over the last five quarters since the economy exited recession in Q4 2020. According to the National Bureau Statistics (NBS), aggregate output, measured by Gross Domestic Product (GDP), grew by 3.98 per cent in the last quarter of 2021, up from the 0.51 per cent growth recorded in Q1 2021. The recovery came on the strength of the steady rebound

in oil prices and sustained fiscal and monetary interventions to critical sectors of the economy as re-opening of the global economy gathered momentum. Overall, annual economic performance ticked up to 3.4 per cent in 2021 compared to the negative GDP growth of -1.92 per cent in 2020.

### Focus for 2020

The key focus for the year revolved around the fundamental principle which sought to set clearly the various operational standards for the retail life business to thrive. We achieved most of our strategic actions for the year under review, though some actions particularly relating to opening of pay points was not achieved as most organisations were still working remotely for the greater part of the year due to COVID-19 pandemic. We introduced and revealed the brand to the Nigerian populace through our New Life Campaign. Implemented 100% use of E-app which allowed us to onboard our customers digitally

### Financial Performance

Overall, the year 2021 was a very tough one with COVID-19, challenging the way businesses are conducted, and impacting significantly on the business performances. There has been a lot of lessons learned from 2021 despite the challenges the year presented.

Our method of product distribution remained quite restricted as face-to-face sales was unpopular since most people worked remotely. This impacted our

## Enterprise Life Assurance Company (Nigeria) Limited Report *(continued)*

topline as we achieved NGN136m representing 42% of our premium income target of NGN322m. Another area of impact was the return on investment we achieved 48% of the set target of NGN1.06b due to lower yields on the market than budgeted.

### People

Our team members are pivotal to our commitment to provide unparalleled service to our cherished customers and create value. As an employer, we attract, develop, and nurture a team of quality talent for discipline and effective execution and ensure a conducive workplace culture that supports and engages our employees, enabling them to build their careers and unlock their full potential. Our aspiration is to maintain a pool of highly motivated and productive workforce.

### Outlook

Our outlook for 2022 remains positive. The global economy is forecasted to continue to grow in 2022, underpinned by vaccine rollout and continued supportive financial conditions across economies. We will be guided by learnings picked from our first year of operations, recalibrate our processes and reset our assumptions. We will operationalize our Group Life business to augment our retail focus in our quest to drive income growth and deliver on our objectives.

### Closing

I would like to thank the Board of Directors, for their devotion and service to the business, for your guidance especially at this infant stage. I wish to also express my utmost appreciation to the shareholders for your unflinching commitment to this New Life. To our staff, your resilience is commendable. We look forward to more rewarding years ahead

### Funmilayo Omo

*Managing Director,  
Enterprise Life Nigeria*



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## Acacia Health Insurance Limited Report



**At the close of year 2021, Acacia served a total of 32,425 lives drawn from 212 corporate firms distributed across various sectors. In terms of growth, Acacia added 2,217 new lives to its business as compared to the 2020 total membership of 30,208.**

**Dan Vincent Armooh, Dr.**  
*Managing Director,  
Acacia Health Insurance Limited*

### Introduction

It is a great privilege to be submitting this report, the first from Acacia Health Insurance (AHI) to the Enterprise Group Shareholders, following the acquisition of the company by EGPlc.

The year 2021 was a very significant year in the business life of Acacia Health Insurance. We operated under two sets of leaderships during the year. Under the direction of the former Board and Management team, Acacia focused all its efforts at executing the final lap of our medium-term strategic plan that covered the period of 2016 – 2021. Among other targets achieved, the first half of the year also ended with the conclusion of negotiations and signing-off of the necessary documents in respect of the sale of shares to EGPlc.

Under the mandate of the new Board of Directors, an Interim Management Committee (IMC) was set up in July 2021 with the prime objective of leading and managing Acacia Health through the post-acquisition transition and subsequent preliminary integration phase. The second half of the year thus focused on resetting, reconnecting, and re-engaging with our people, our clients, our Healthcare Service Providers (HSPs) and all other stakeholders within the Health Insurance industry. The successful work of the IMC culminated into the crafting, presentation, and approval of a new strategy for the company to cover the period of January 2022 to December 2024. 2021 was therefore a year of momentous changes at Acacia in terms of focus and future direction of the company.

Apart from the usual difficulties such change and transition processes bring, especially with the impact it has on employees, Acacia like all other businesses also had to deal with the impact of COVID-19 pandemic on its business operations. We are very grateful to God that notwithstanding the intense anxiety and difficulties encountered, we managed to navigate the uncertain conditions to post a profitable performance for the year.

### Regulatory Environment

The National Health Insurance Authority (NHIA) is the regulator of the Private Health Insurance Industry with its defined mandate emanating from the governing Act of Parliament, Act 852 (NHIA 2012). In the execution of its obligations, the NHIA registers, and licenses two types of Private Health Insurance Schemes – Private Mutual Health Insurance Scheme (PMHIS) and a Private commercial Health Insurance Scheme (PCHIS). Acacia is a licensed PCHIS that has operated in Ghana since 2013.

During the year under review there were no changes in the regulatory framework. At the close of the year, there were Eleven (11) licensed Private Commercial Health Insurance Schemes and One (1) licensed Private Mutual Health Insurance Scheme operating in Ghana.

## Acacia Health Insurance Limited Report *(continued)*

### Business Overview

#### a. **People Issues**

The resilience of our staff especially throughout this period of the COVID-19 pandemic and change in company ownership, is worthy of commendation. Acacia closed 2021 with a total staff strength of 39 made up of 33 full time staff and 6 contract staff.

Following the acquisition, several orientation sessions were organized for all staff as a way of integrating them into the Enterprise Group. Measures to achieve total culture integration with that of the Group has been put in place for implementation in 2022. In all these, I am happy to inform you that Acacia did not experience any staff resignations during the transition period. All staff including the foundation staff, are at post following the acquisition and contributed their efforts enthusiastically to the achievement of the 2021 objectives.

#### b. **Target Market and business portfolio.**

The PHIS in Ghana currently serve an estimated total market size of about 300,000 and Acacia has approximately 10.7% of the market size. Over the past 9 years of its operations, our business has focused primarily on the corporate market. At the close of year 2021, Acacia served a total of 32,425 lives drawn from 212 corporate firms distributed across various sectors. In terms of growth, Acacia added 2,217 new lives to its business as compared to the 2020 total membership of 30,208. Our membership portfolio is made up of 81.8% premium-paying members and 19.2% third-party administration clients.

Type of Insurance Client	Total Lives covered	Percentage
<b>Premium-Paying Clients</b>	26,525	81.8%
<b>Third Party Administered Plans</b>	5,900	19.2%
<b>Total</b>	32,425	100%

#### c. **Product Options**

In 2021 as in previous years, we offered two main types of health insurance products.

##### i. **A premium-based health insurance product** – with 5 benefit options namely;

**a. Lifecare** – This is our low budget OPD-only plan tailored for the needs of the small-scale sector companies who want to offer some health cover for their employees.

**b. Unicare** – our basic OPD and IPD plan offers cover to the common health issues faced by members with limits to surgical, dental, and optical benefits. This

plan offers access to care from about 90% of our accredited service provider network.

**c. Premiercare** – Our third level benefits plan offers access to 95% of our service providers with very competitive traditional benefits as well as handsome optical and dental covers.

**d. Supercare** – The Acacia Supercare plan affords a wide HSP network access with very generous OPD and IPD benefits limits.

**e. Supercare Plus** – Our topmost benefits plan offers access to 100% of our accredited service providers with unending outpatient and in-patient benefits.

Each of these products are tailored for the needs of a specific segment of the corporate market.

##### ii. **Non-premium based or Third-Party Administration**

**Plan** – where we manage the health plans of other corporate entities. Our TPA plans accounts for 19.2% of the total lives under management.

### Corporate Awards

Acacia has over the years been seen arguably as the benchmark for Private Health Insurance in Ghana. In 2021, Acacia won the following industry awards in recognition of its good work.

1. Brand of the Year 2021 - (Private Health Insurance Category) – Ghana Insurance Awards
2. CEO of the Year 2021 – Private Health Insurance Category – Ghana Insurance Awards
3. Health Insurance Provider of the Year 2021 – Ghana Pharma Awards
4. Health Insurance Company of the Year 2021 – Health Environment, Safety and Security Awards
5. Best Employee Health Insurance Scheme Provider 2021 - Health Environment, Safety and Security Awards

### CSI activities

In 2021 as we had done in 2020, we continued our COVID-19 pandemic support to all our clients with the distribution of 4000 boxes of disposable nose masks as part of our nationwide **#MaskUpSaveALife** campaign. The boxes were shared pro-rata to all our clients based on the number of enrolled lives per each company.

In addition, we concluded negotiations with a number of the Ministry of Health (MOH) approved COVID-19 testing Laboratories to offer discounted rates for PCR tests for all our members. All AHI members on presenting their insurance cards to these centers paid Ghc 200 for a covid test instead of the going rate at the time of Ghc 300 – 450 cedis. Results were also delivered within 12 hours

## Acacia Health Insurance Limited Report *(continued)*

instead of the standard 24hrs. This was very well received by member companies and enrollees.

### Company Performance

The following presents Acacia's financial performance over the past year.

#### Net Written Premium

Our net written premium for the period was GH¢54.1m. This represents an increase of 8.56% above the 2020 net insurance premium of GH¢49.8m.

#### Claims Incurred

The total claims incurred for 2021 was GH¢39.7m in comparison to GH¢29.1m incurred in 2020. This was an increase 36.5% above the 2020 claims incurred. The increase was due to deferred care observed in the 2020 as a result of the COVID-19 pandemic.

#### Management Expense

Total management expense for 2021 was GH¢12.2m. This was GH¢5.6m less than the total management expense in 2020. The reduction in expense of 31.5% was due to improve business process efficiency.

#### New Business Income

In terms of new business, Acacia enrolled 2,217 new lives into its fold in 2021.

#### Underwriting Profit

The underwriting profit for 2021 was GH¢2.1m, a reduction of about 24.9% from the 2020 figure of GH¢2.9m. This is a direct result of the increased claims and utilization expense in 2021.

#### Investment Income

Our investment income for the year went up by 46.8% from GH¢3.0m in 2020 to GH¢ 4.4m in 2021.

### Profit After Tax

For the year under review, Acacia's profit after tax was GH¢5.8m, a reduction of 37.4% in comparison to the 2020 performance of GH¢9.2m.

### Outlook for 2022

2022 is the first year of our new 3-year strategy that is aimed at achieving a 100% increase in the total number of lives under management (from 30,000 lives to 60,000 lives) over a 3-year period. The new strategy is aligned to the Enterprise Group's 5-year strategy and is tethered under 5 main strategic areas of focus – People, Digital Transformation, Partnerships, Synergies and New Markets.

### Concluding remarks

I am grateful for the tremendous support received from the Group level to ensure that total integration is achieved with Acacia within the shortest possible time. Together with the Management team, we acknowledge and look forward to taking advantage of the numerous opportunities that being a member of the Enterprise Group brings. We will maximize the cross-selling opportunities, ride on the ability to deliver quality service on the back of reliable digital platforms available to members of the Group and fully explore the inherent power of inter-company synergies among the various Enterprise subsidiaries.

We look forward to more fulfilling and productive years ahead of us.

#### Dan Vincent Armooh, Dr.

*Managing Director,  
Acacia Health Insurance Limited*

# Coming together for your Advantage

Acacia Health Insurance is now part of the  
Enterprise Group to serve you better.



## Enterprise Life Gambia's Review



**We also continued to generate the highest gross premium in the industry for two years running. In 2021 we achieved 19% of the total industry gross premium. Our file size grew by 24% over 2020 while incepted new business cases grew by 15% from 2020.**

**Fatoumata Baldeh**  
Country Manager,  
Enterprise Life



### Introduction

The year 2021 marked the ninth year of our operations in Gambia. Our business made positive strides in most of the key areas we set out in our plans. The company, adjusting from the effects of the COVID-19 pandemic, we deliberately set out to begin 2021 more aggressively to avoid the potential effects of any possible lock downs in subsequent months in the year. Our strategy worked to a large extent as was evident in the high individual life policy inceptions we recorded in the first half of the year. Despite the uncertainties in today's global economy and our market, we maintained our leadership in both the Life & Non-Life insurance industry. We also continued to generate the highest gross premium in the industry for two years running. In 2021 we achieved 19% of the total industry gross premium. Our file size grew by 24% over 2020 while incepted new business cases grew by 15% from 2020.

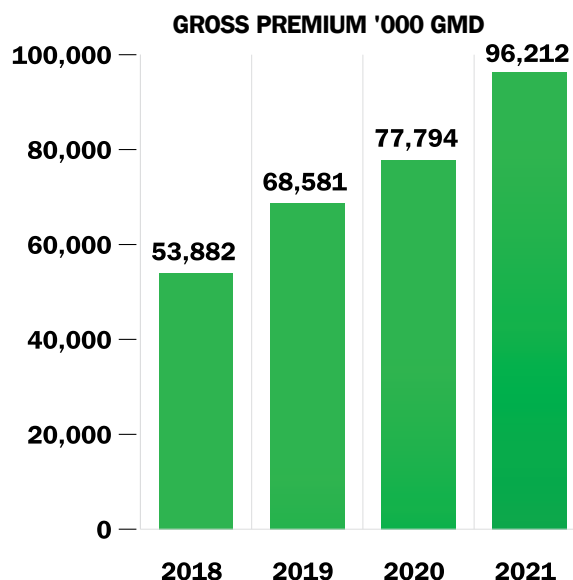
### Financial Performance

Our concentration remains on our ambition of becoming a GMD 200m gross premium business by 2024. Positive progress has been made on reaching this ambition with the 20% minimum growth in gross premium revenues recorded since 2019 when we set this target.

The improved premium income recorded in 2021, was driven by an increase in our minimum acceptable premium from GMD256 to GMD306. The opening of a new branch in Brikama did not only improve sales and premium income but also impacted positively on both our brand image and service quality to our clients. Deepening of relationships

with various premium collection points also contributed in achieving our highest ever premium collection rate of 92% from our key premium collection points.

Total net expenses increased by 17.3% over prior year. Key driver is the actuarial liability provision which increased from GMD 7.4m to GMD 15.5m in line with the level of investment linked products. Profit before tax improved to GMD11m which represented a growth of 9% over 2020.



## Enterprise Life Gambia's Review *(continued)*

### Focus for 2022

Our focus for 2022 will remain fully aligned with the exponential growth strategy of the Enterprise Group. We plan to grow our gross premium by 25%. This we will do by expanding the sales teams in both rural and urban Gambia. We shall harness the full potentials of the Group business by adequately equipping the Group Life Team to grow their base thereby increasing its contribution to the overall premium revenue of the business.

Emphasis will also be placed on improving on our technologies to support our process efficiency drive and to delight our customers with excellent service delivery. Continued investment in our people through training, development and provision of the right tools will remain our top priority as we seek to improve shareholder value.

### Fatoumata Baldeh

*Country Manager,  
Enterprise Life*



# Family Charity Plan

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## Corporate Governance Statement

### Introduction

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

This Statement outlines the Group’s Corporate Governance principles and practices, and details how it has applied those principles over the past year. As indicated in the Statement of Directors’ Responsibilities and Notes to the Financial Statements, the Group adopts standard internationally recognised accounting practices and maintains sound internal controls which provide reassurance regarding the reliability of the Financial Statements.

### The Board of Directors

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

The Board of Enterprise Group PLC currently has five Non-Executive Directors including the Chairman. Each Member is highly qualified and experienced in both managerial and his/her distinctive field of specialisation.

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

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

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

### Audit Committee

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

Members of the Committee are:

Fiifi Kwakye	-	Chairman
Trevor Trefgarne		
Douglas Lacey		

The Chairman of the Committee reports that the Committee met four times during 2021 to fulfil its duties as stated in its mandate.

### Human Resources and Nominations Committee

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

The Committee also reviews the composition of the Boards.

Members of the Committee are:

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

The Chairperson of the Committee reports that the Committee met four times during 2021 to fulfil its duties as stated in its mandate.

### Risk and Compliance Committee

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

Members of the Committee are:

Mrs. Amina Oyagbola	-	Chairperson
Fiifi Kwakye		
Francis Koranteng		
Abed Botchway		
Norman Kelly		

## Corporate Governance Statement *(continued)*

The Chairperson of the Committee reports that the Committee met four times during 2021 to fulfil its duties as set up in its mandate.

### Strategy and Investments Committee

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

All Directors of Enterprise Group PLC are members of this Committee.

The Chairman of the Committee reports that the Committee met four times during 2021 to fulfil its duties as stated in its mandate.

### The Group's Subsidiaries

The Group has six direct operating subsidiaries, namely:

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

Other companies in the Group which are owned by Enterprise Life Assurance LTD are:

- Enterprise Funeral Services Ghana LTD trading as "Transitions – The Funeral People"
- Enterprise Life Assurance Company (Gambia) Limited

Each company has its own Board of Directors which formally meets at least four times each year.

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

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

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

## Corporate Social Investment Report

**O**ver the years, The Enterprise Group has demonstrated commitment to investing in sustainable initiatives that will improve the lives of many Ghanaians. To drive its Corporate Social Investment initiatives, the Enterprise Group has focused on three key areas namely; Education, Health and Philanthropic support to key organizations and individuals.

In 2021, with a strong sense of purpose to impact the communities we operate in, the Group invested a proportion of its operating profit into community initiatives. Key projects within the year include completion of the construction of a three-storey classroom for Bishop Mixed JHS estimated at a cost of GH¢2m, donation of incubators to the Keta Hospital, donation to support displaced residents in the Anlo District among others.

Enterprise Group is committed to help improve lives now and in future generations as depicted in the following details:

### Education

#### Handing Over of Bishop's Mixed JHS Block

The Group's objective in education is to support in the provision of quality education with special emphasis on the less privileged in society. In line with this, there were two main activities for 2021. The first was the completion and furnishing of a classroom block for the pupils of Bishop Mixed JHS on the JEA Mills High Street. This key initiative that was initiated in 2020 involved the demolition of an old uncompleted 3 classroom structure and replacing it with a fully furnished modern three-story classroom block made up of nine (9) classrooms, washrooms on each floor, a 3- bed infirmary, spacious computer laboratory, modern library and an office for the head teacher. The project has since been handed over to the school and is under full utilization.

#### Scholarships for Brilliant but Needy Students

The second intervention in education was in the form of scholarships awarded to students from low income families to pursue education in the Design Technology Institute (DTI). DTI is an industrial job training and prototype center located in Accra. Through the scholarship offered by



## Corporate Social Investment Report *(continued)*

Enterprise, students from financially challenged families are being given the chance to hone their engineering and design talents through a practical, hands on approach. It is expected that the training received will impact positively on their chances of earning a decent livelihood upon graduation and thereby help break their personal cycle of poverty.

### Health

#### Donation of Two Incubators to Keta Hospital

Enterprise Group PLC's support to the country's health sector in 2021 was in line with the Millennium Development Goal 4 which speaks to the reduction of child mortality. The Company donated USD20,000 for the purchase of two incubators to the Keta Hospital in support Kokrokoo Foundation's Project 100.' This was in response to Kokrokoo Foundation's request for support of 'Project 100' – a project that aims at purchasing 100 incubators to be distributed to needy hospitals countrywide to save preterm babies.

The incubators were delivered to the Keta Hospital after needs assessment was done to identify prospective beneficiary hospitals. As part of the donation, an end-user training was conducted for the hospital.

### Philanthropy

Every year, the company is called upon to provide support for various members of the society, usually in response to emergency situations. 2021 was no different. The Group donated GH¢30,000 to victims of the tidal wave disaster

in the Anlo district, Keta and Ketu South municipalities after high tides displaced over three thousand residents. The donation was made through the Caring Sisters of Anlo, a not-for-profit organization. The organization was founded over 30 years ago to address the education of the girl child in the Anlo Traditional Area. With support from Enterprise and several other organizations, Caring Sisters is assisting in alleviating the sufferings of the displaced people.

Other philanthropic activities involved a donation to Rotary 2020 Club towards the eradication of polio, the 5 Infantry Battalion in respect of the renovation of their canteen and donation to the Office of the Gbese Mantse for 2021 Homowo Celebration.

### Conclusion

As can be deduced from the above activities, the Company's Social Investment strategy is designed to align with the drivers of our business while supporting significant economic and social projects that meet our national development goals. This is to ensure that the Company's commitment to positively impact on the community continues to be sustainable now and into the future.



## Report of the Directors

The directors present their report and the audited financial statements of Enterprise Group Plc (the “Company”) and its subsidiaries (together the “Group”) for the year ended 31 December 2021.

### Directors’ responsibility statement

The directors are responsible for the preparation of separate and consolidated financial statements that give a true and fair view of Enterprise Group Plc, comprising the statements of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the directors are responsible for the preparation of the report of the directors.

The directors are also responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The directors are satisfied with the adequacy of the internal controls.

The directors have made an assessment of the ability of the Company and its subsidiaries (together referred to as “the Group”) to continue as going concern and have no reason to believe that the businesses will not be going concern in the year ahead.

### Principal activities

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

### Objectives of the Group

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

### Subsidiaries of the Company

The Company directly or indirectly owns the following subsidiaries as at 31 December 2021:

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

## Report of the Directors *(continued)*

### Five-year financial highlights

The five-year financial highlight is shown on page 4.

### Financial statements

The financial results of the Company and the Group for the years ended 31 December 2021 and 31 December 2020 are set out on page 62 of these financial statements.

The directors recommend payment of a dividend of GH¢ 0.0744 (2020: GH¢ 0.062) per share. The directors consider the state of the Company's and Group's affairs to be satisfactory.

### Particulars of entries in the Interests Register during the financial year

No director had any interests in the contracts or proposed contracts with the Group during the year ended 31 December 2021, hence there were no entries recorded in the Interests Register as required by section 194 (6), 195 (1) (a) and 196 of the Companies Act, 2019 (Act 992).

### Related party transactions

Information regarding directors' interests in ordinary shares of the Company is disclosed on page 138 of the annual report and their remuneration is disclosed in Note 33 to the financial statements. No director has any other interest in any shares or loan stock of any Group company except as stated. Related party transactions and balances are also disclosed in Note 26 to the financial statements.

### Corporate social responsibility and code of ethics

A total of GH¢ 2,465,261 and GH¢ 2,116,706 (2020: GH¢ 364,831 and GH¢ 93,400) was spent under the Group and Company's social responsibility programme with key focus on education, health, financial inclusion and others respectively. An extract of the Group Code of Ethics can be found on the Group's website [www.enterprisegroup.com.gh](http://www.enterprisegroup.com.gh).

### Profile of Board of Directors

	Qualification	Outside board and management position
<b>Non-executive</b>		
Trevor Trefgarne Member Strategy & Investments, Audit and Joint HR & Nominations Committees Attended all 4 Board meetings	Graduate of Cranfield School of Management	Enterprise Life Assurance LTD; Enterprise Insurance LTD and Enterprise Properties LTD
Martin Eson-Benjamin Member Strategy & Investments Committee Attended 3 out of 4 Board meetings Lead Independent Director	B.Sc. Administration, University of Ghana	CFAO Ltd; Enterprise Insurance LTD and Millennium Development Authority.
Prof. Angela Ofori-Atta Member Strategy & Investments Committee, Chair Joint HR & Nominations Committee Attended 3 out of 4 Board meetings	BSc, MA, PhD: Psychology	Databank Financial Services LTD; Databank Asset Management Services LTD; Enterprise Funeral Services Ghana LTD and Grace Strategic Ventures LTD.

## Report of the Directors *(continued)*

George Otoo Member Strategy & Investments Committee Attended 1 out of 2 Board meetings	MBA Insurance Management UK, Diploma WAIL Insurance Liberia, Associate ACII UK	Databank Epack Investment Fund and Ghana Reinsurance Plc.
Fifi Kwakye Member Strategy & Investments Committee, Chair Audit Committee Attended all 4 Board meetings Independent Non-Executive Director	B.Sc. Accounting, MSc. Finance & Accounting, ICA Ghana, Chartered Institute of Taxation Ghana, Member of Institute of Internal Auditors Ghana.	Afina Asset Management Company Ltd; Phlox Services Ltd; Enterprise Trustees LTD and Enterprise Life Assurance LTD.
Douglas Lacey Member Strategy & Investments, Audit and Joint HR & Nominations Committees Attended all 4 Board meetings	B,Com; Master's Degree in Business Leadership, FCII (UK)	Enterprise Insurance LTD; Enterprise Properties LTD and Grace Strategic Ventures LTD.
<b>Executive</b>		
Keli Gadzekpo Chair Strategy & Investments Committee Attended all 4 Board meetings	B.Sc. Accounting., CPA, MA Public Admin	Ventures and Acquisitions LTD, Family Ventures and Offices LTD; Databank Asset Management; Ecolodge Mole Operating Company Limited; Enterprise Properties LTD; Enterprise Life Assurance LTD; Enterprise Funeral Services Ghana LTD; Seventh Avenue Properties Ltd; Enterprise Insurance LTD; Databank Epack Investment Fund LTD; Databank Financial Services LTD; Bank of Ghana; Electricity Company of Ghana LTD and Grace Strategic Ventures LTD; Acacia Health Insurance Limited; Roberts and Sons Optical Limited and Phyto-Riker (GIHOC) Pharmaceuticals Limited
Cleland Cofie Bruce Jnr Member Strategy & Investments Committee Attended 1 out of 1 Board meeting	ACII, FIIG, MA (Leading Change)	Inovare LTD; Acacia Health Insurance Limited.
Daniel Larbi-Tieku Member Strategy & Investments Committee Attended all 4 Board meetings.	B. Sc. Accounting, FCCA, MSc Finance	Acacia Health Insurance Limited. Enterprise Funeral Services Ghana LTD; Prudential Bank Ghana LTD; Randace Company Ltd.
Michael Tyson Member Strategy & Investments Committee Attended 3 out of 3 Board meetings	ACMA, CGMA M.Sc. Strategic Business Management	Acacia Health Insurance Limited; Enterprise Trustees LTD.

## Trends that may affect future performance

The trends that may affect future performance are covered in the strategy and risk profile of the business.

## Report of the Directors *(continued)*

### Material foreseeable risks

The Group Risk and Compliance Committee ensures that the material risks facing the business are addressed with adequate mitigation measures.

### Biographical information of directors

Age category	Number of directors
41 – 60 years	5
Above 60 years	5

### Role of the Board

The directors are responsible for the long-term success of the Group, determining its strategic direction and reviewing operating, financial and risk performance. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Group's annual business plan, the Group's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Group's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Group, and the scope of delegations to Board committees, subsidiary boards and the management committee. Responsibility for the development of policy and strategy and operational management is delegated to the executive directors and a management committee, which as at the date of this report includes the executive directors and senior managers.

### Internal control systems

The directors have overall responsibility for the Group's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Group as at the reporting date and no significant failings or weaknesses were identified during this review.

### Directors' performance evaluation

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

### Conflicts of interest

The Group has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

### Board balance and independence

The composition of the Board of directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board will continue with ongoing work regarding its composition in line with the Securities and Exchange Commission's Corporate Governance Code for Listed Companies.

## Report of the Directors *(continued)*

### Capacity building of directors to discharge their duties

On appointment to the Board, directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Group's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Group operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that directors continually update their skills, knowledge and familiarity with the Group's businesses. This further provides insights about the industry and other developments to enable them to effectively fulfil their role on the Board and Committees of the Board.

### Audit fees

The audit fee for the year is GH¢ 925,495 and GH¢ 124,730 (2020: GH¢ 826,000 and GH¢ 109,000) for the Group and Company respectively.

### Auditor

The auditor, PricewaterhouseCoopers, has expressed willingness to continue in office in accordance with section 139 (5) of the Companies Act, 2019 (Act 992).

### Approval of the report of the Directors

The report of the directors of Enterprise Group Plc was approved by the Board of Directors on 25 March 2022 and signed on their behalf by:



**Keli Gadzekpo**  
Group Chief Executive Officer



**Fiifi Kwakye**  
Director

# Independent Auditor's Report to the Members of Enterprise Group Plc

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Enterprise Group Plc (the "Company") standing alone and its subsidiaries (together the "Group") as at 31 December 2021, and of the financial performance and the cash flows of the Company standing alone and the Group for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

### What we have audited

We have audited the financial statements of Enterprise Group Plc and its subsidiaries for the year ended 31 December 2021.

The financial statements comprise:

- the separate and consolidated statements of financial position as at 31 December 2021;
- the separate and consolidated statements of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate and consolidated statements of cash flows for the year then ended; and
- the notes to the separate and consolidated financial statements, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the separate and consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

### Key audit matters

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Key audit matters *(continued)*

Key audit matter	How our audit addressed the key audit matter									
<p>Valuation of insurance contract liabilities</p> <table><tr><td></td><td><b>The Group GH¢'000</b></td><td><b>The Company GH¢'000</b></td></tr><tr><td>Non-life insurance contract liabilities</td><td>34,286</td><td>-</td></tr><tr><td>Life insurance contract liabilities</td><td>921,023</td><td>-</td></tr></table> <p>The estimation of insurance contract liabilities involves significant degree of judgement due to the level of subjectivity inherent in the estimation of the effect of uncertain or unknown future events and the resulting potential exposure to losses.</p> <p>The valuation of the incurred but not reported (IBNR) and the Life Fund is carried out by independent actuaries engaged by the Group.</p> <p>For non-life insurance contract liabilities, estimates have to be made for the expected ultimate cost of all future payments in respect of incurred claims at the reporting date. These include IBNR claims. The gross ultimate paid claims is estimated using the Chain Ladder, Bornhuetter-Ferguson, Loss Ratio and Cape Cod estimation techniques. Underlying these methods are explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. The main assumption is that claims settlement patterns in the past will remain the same in future.</p> <p>For life insurance contract liabilities, assumptions that are considered as most significant in carrying the actuarial estimation of the insurance contract liabilities include mortality and morbidity, valuation interest rate, update take-up rate, lapse rate, renewal expenses, investment return rate and expense inflation rate.</p> <p>The estimation of insurance contract liabilities is therefore considered as a key audit matter for the Group based on the level of complexity and significant management judgement involved.</p> <p>Notes 3.1 and 5.1 set out the critical estimates and judgement exercised in calculating insurance contract liabilities. Outstanding claims and related IBNR are disclosed in note 20 while the actuarial liabilities of life assurance policies is disclosed in note 18 to the financial statements.</p>		<b>The Group GH¢'000</b>	<b>The Company GH¢'000</b>	Non-life insurance contract liabilities	34,286	-	Life insurance contract liabilities	921,023	-	<p>We obtained an understanding of, and evaluated controls in place over the underwriting of policies and claims process and tested selected controls.</p> <p>We obtained the actuarial valuation reports from management and assessed the competence, independence and objectivity of management's independent actuarial experts.</p> <p>We assessed the integrity of extracted data by comparing data inputs used in carrying the estimation of insurance contract liabilities to data recorded in the financial accounting systems.</p> <p>With the support of our actuarial experts, we evaluated whether the Group's actuarial methodologies and assumptions were reasonable and consistent with prior periods.</p> <p>We evaluated the reasonableness of assumptions applied in management's projections by comparing with our own expectations based on our industry knowledge and the Group's historical claims pattern.</p> <p>We assessed reasonableness of assumptions in respect of mortality and morbidity, valuation interest rate, update take-up rate, lapse rate, renewal expenses, investment return rate and expense inflation rate by comparing to independent sources.</p> <p>We assessed the basis for renewal expenses assumptions and ascertained its reasonableness by comparing percentage of renewal expenses to actual data on gross premium and expenses.</p> <p>We checked the appropriateness of relevant disclosures in the financial statements.</p>
	<b>The Group GH¢'000</b>	<b>The Company GH¢'000</b>								
Non-life insurance contract liabilities	34,286	-								
Life insurance contract liabilities	921,023	-								

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Other information

The directors are responsible for the other information. The other information comprises Corporate Information, Five-year Financial Summary, Report of the Directors, Shareholder Information and Certificate of Solvency in respect of Life Business but does not include the separate and consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Review, Group Chief Executive Officer's Review, Enterprise Insurance LTD Report, Enterprise Life Assurance LTD Report, Enterprise Trustees LTD Report, Enterprise Properties LTD Report, Transitions Report, Enterprise Life Assurance Company (Nigeria) Limited Report, Acacia Health Insurance Limited Report, Enterprise Life Gambia's Review, Corporate Governance Statement and Corporate Social Investment Report which are expected to be made available to us after that date.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read The Chairman's Review, Group Chief Executive Officer's Review, Enterprise Insurance LTD Report, Enterprise Life Assurance LTD Report, Enterprise Trustees LTD Report, Enterprise Properties LTD Report, Transitions Report, Enterprise Life Assurance Company (Nigeria) Limited Report, Acacia Health Insurance Limited Report, Enterprise Life Gambia's Review, Corporate Governance Statement and Corporate Social Investment Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of the directors 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 in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Auditor's responsibilities for the audit of the financial statements *(continued)*

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act, 2019 (Act 992) 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 statement of financial position and the Group's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Richard Ansong (ICAG/P/1539).

**PricewaterhouseCoopers**

**PricewaterhouseCoopers (ICAG/F/2022/028)**

**Chartered Accountants**

**Accra, Ghana**

7 April 2022



## Separate and Consolidated Statements of Financial Position

(All amounts are in thousands of Ghana cedis)

ASSETS	Note	The Company As at 31 December		The Group As at 31 December	
		2021	2020	2021	2020
Deferred tax assets	23	-	-	13,102	9,011
Investment in subsidiaries	9	317,033	286,883	-	-
Investment properties	8	-	-	300,934	288,519
Property and equipment	6	14,411	17,247	78,209	75,381
Intangible assets	7	-	-	85	112
Investment securities	11	18,500	12,537	1,411,303	1,112,901
Inventories	25	-	-	947	451
Trade and other receivables	12	37	-	60,168	16,891
Prepayments		-	366	3,490	1,894
Deferred commission expense	13	-	-	20,390	13,832
Due from re-insurers	14	-	-	11,782	21,142
Due from related party	26	131,832	139,977	-	-
National fiscal stabilisation levy assets	27	-	-	2,016	-
Current tax assets	28	-	-	1,382	967
Cash and bank balances	15	32,075	31,944	259,509	204,407
<b>Total assets</b>		<b>513,888</b>	<b>488,954</b>	<b>2,163,317</b>	<b>1,745,508</b>
<b>Equity</b>					
Stated capital	17	258,886	258,886	258,886	258,886
Deposit for shares	17	-	-	996	996
Retained earnings	17	204,667	182,072	297,017	265,382
Foreign currency translation reserve	17	-	-	(9,734)	(5,669)
Contingency reserve	17	-	-	87,873	65,745
Statutory reserve	17	-	-	9,201	5,947
<b>Equity attributable to owners</b>		<b>463,553</b>	<b>440,958</b>	<b>644,239</b>	<b>591,287</b>
Non-controlling interest	10	-	-	190,156	173,099
<b>Total equity</b>		<b>463,553</b>	<b>440,958</b>	<b>834,395</b>	<b>764,386</b>
<b>Liabilities</b>					
Life fund	18	-	-	921,023	677,916
Deferred tax liabilities	23	-	-	3,326	1,766
Lease liabilities	40	13,703	13,993	13,323	12,913
Borrowings	24	-	-	26,123	26,912
Policy holder retention scheme		-	-	2,053	2,165
Unearned premiums reserve	19	-	-	90,380	56,405
Outstanding claims	20	-	-	61,197	46,045
Trade and other payables	21	12,032	9,403	127,028	82,622
Deferred commission income	22	-	-	11,629	7,572
Due to re-insurers	14	-	-	18,028	14,581
Due to related parties	26	21,933	21,933	47,420	47,725
National fiscal stabilisation levy liabilities	27	-	-	296	40
Current tax liabilities	28	2,667	2,667	7,096	4,460
<b>Total liabilities</b>		<b>50,335</b>	<b>47,996</b>	<b>1,328,922</b>	<b>981,122</b>
<b>Total equity and liabilities</b>		<b>513,888</b>	<b>488,954</b>	<b>2,163,317</b>	<b>1,745,508</b>

The notes on pages 67 to 137 form an integral part of these financial statements.

The financial statements on pages 61 to 137 were approved by the Board of Directors on 25 March 2022 and signed on their behalf:

Keli Gadzekpo  
Group Chief Executive Officer

Fiifi Kwakye  
Director

## Separate and Consolidated Statements of Comprehensive Income

(All amounts are in thousands of Ghana cedis)

		The Company Year ended 31 December		The Group Year ended 31 December	
		2021	2020	2021	2020
Investment income	29	69,163	54,149	249,172	136,496
Fair value gain on valuation of investment properties	8	-	-	790	8,885
Investment expenses		-	-	(4,947)	(3,719)
<b>Net investment income</b>		<b>69,163</b>	<b>54,149</b>	<b>245,015</b>	<b>141,662</b>
Gross insurance premium	34	-	-	1,002,666	785,419
Insurance premium ceded to reinsurers	34	-	-	(142,210)	(117,628)
<b>Net insurance premium</b>	34	-	-	<b>860,456</b>	<b>667,791</b>
Change in unearned premium		-	-	(21,759)	(16,405)
<b>Net earned premium revenue</b>		-	-	<b>838,697</b>	<b>651,386</b>
Other revenue	30	-	-	66,696	48,024
Other income	31	1,492	104	13,685	6,675
		<b>1,492</b>	<b>104</b>	<b>80,381</b>	<b>54,699</b>
<b>Net income</b>		<b>70,655</b>	<b>54,253</b>	<b>1,164,093</b>	<b>847,747</b>
Insurance benefits and claims	32	-	-	(402,563)	(266,065)
Change in life fund liability	18	-	-	(241,761)	(108,565)
<b>Net benefits and claims</b>		-	-	<b>(644,324)</b>	<b>(374,630)</b>
Finance costs		(2,133)	(1,813)	(3,694)	(4,979)
Impairment charge		(11,850)	-	(2,581)	(5,670)
Operating expenses	33	(23,482)	(26,614)	(246,409)	(190,846)
Commission expense	35	-	-	(146,966)	(123,051)
Commission income	36	-	-	32,951	26,943
<b>Net expenses</b>		<b>(37,465)</b>	<b>(28,427)</b>	<b>(1,011,023)</b>	<b>(672,233)</b>
<b>Profit before tax</b>		<b>33,190</b>	<b>25,826</b>	<b>153,070</b>	<b>175,514</b>
National fiscal stabilisation levy	27	-	-	(7,328)	(8,914)
Income tax expense	28	-	(733)	(22,890)	(19,871)
<b>Profit for the year</b>		<b>33,190</b>	<b>25,093</b>	<b>122,852</b>	<b>146,729</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Foreign operations - translation difference		-	-	(2,812)	(6,910)
<b>Total comprehensive income for the year</b>		<b>33,190</b>	<b>25,093</b>	<b>120,040</b>	<b>139,819</b>
Profit attributable to:					
Owners of the parent		33,190	25,093	67,612	81,344
Non-controlling interest		-	-	55,240	65,385
		<b>33,190</b>	<b>25,093</b>	<b>122,852</b>	<b>146,729</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		33,190	25,093	63,547	73,849
Non-controlling interest		-	-	56,493	65,970
		<b>33,190</b>	<b>25,093</b>	<b>120,040</b>	<b>139,819</b>
<b>Earnings per share</b>					
Basic (GH¢ per share)	39	0.194	0.147	0.396	0.476
Diluted (GH¢ per share)	39	0.194	0.147	0.396	0.476

The notes on pages 67 to 137 form an integral part of these financial statements.

## Consolidated Statement of Changes in Equity

(All amounts are in thousands of Ghana cedis)

The Group	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Contingency reserve	Statutory reserves	Non controlling interest	Total Equity
<b>Year ended 31 December 2021</b>								
Balance at 1 January 2021	258,886	996	265,382	(5,669)	65,745	5,947	173,099	764,386
<i>Profit for the year</i>	-	-	67,612	-	-	-	55,240	122,852
Currency translation difference	-	-	-	(4,065)	-	-	1,253	(2,812)
<b>Total comprehensive income</b>	-	-	<b>67,612</b>	<b>(4,065)</b>	-	-	<b>56,493</b>	120,040
<i>Statutory transfers</i>	-	-	(3,254)	-	-	3,254	-	-
Transfer to statutory reserve	-	-	(22,128)	-	22,128	-	-	-
Transfer to contingency reserve	-	-	<b>(25,382)</b>	-	<b>22,128</b>	<b>3,254</b>	-	-
<i>Transactions with owners of the Company</i>								
Tax paid on transfer to stated capital	-	-	-	-	-	-	(184)	(184)
- Dividends to non-controlling interest - ELAC	-	-	-	-	-	-	(36,000)	(36,000)
- Dividends to non-controlling interest – ETL	-	-	-	-	-	-	(2,200)	(2,200)
- Dividends to non-controlling interest - EIC	-	-	-	-	-	-	(1,052)	(1,052)
Dividends declared by the Company	-	-	(10,595)	-	-	-	-	(10,595)
Total transactions with owners of the Company	-	-	<b>(10,595)</b>	-	-	-	<b>(39,436)</b>	<b>(50,031)</b>
<b>Balance at 31 December 2021</b>	<b>258,886</b>	<b>996</b>	<b>297,017</b>	<b>(9,734)</b>	<b>87,873</b>	<b>9,201</b>	<b>190,156</b>	<b>834,395</b>

The notes on pages 67 to 137 form an integral part of these financial statements.

## Consolidated Statement of Changes in Equity

(All amounts are in thousands of Ghana cedis)

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

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

The notes on pages 67 to 137 form an integral part of these financial statements.

## Separate Statement of Changes in Equity

(All amounts are in thousands of Ghana cedis)

### The Company

#### Year ended 31 December 2021

	Stated capital	Retained earnings	Total Equity
Balance at 1 January 2021	258,886	182,072	<b>440,958</b>
Profit for the year	-	33,190	<b>33,190</b>
Total comprehensive income	-	33,190	<b>33,190</b>
<i>Transactions with owners of the Company</i>			
Dividend declared by the Company	-	(10,595)	<b>(10,595)</b>
Total Transactions with owners of the Company	-	(10,595)	<b>(10,595)</b>
<b>Balance at 31 December 2021</b>	<b>258,886</b>	<b>204,667</b>	<b>463,553</b>
Year ended 31 December 2020			
Balance at 1 January 2020	258,886	166,207	425,093
Profit for the year	-	25,093	25,093
Total comprehensive income	-	25,093	25,093
<i>Transactions with owners of the company</i>			
Dividend declared by the Company	-	(9,228)	(9,228)
Total Transactions with owners of the company	-	(9,228)	(9,228)
Balance at 31 December 2020	258,886	182,072	440,958

The notes on pages 67 to 137 form an integral part of these financial statements.

## Separate and Consolidated Statements of Cash Flows

(All amounts are in thousands of Ghana cedis)

	Note	The Company		The Group	
		2021	2020	2021	2020
Cash flows from operating activities					
Cash generated from operations	37	<b>61,304</b>	13,829	<b>464,447</b>	286,868
Interest paid on lease liabilities	40	<b>(1,199)</b>	(1,254)	<b>(1,333)</b>	(1,213)
Interest paid on borrowings	24	-	-	<b>(1,626)</b>	(3,536)
Income tax paid	28	-	(79)	<b>(23,538)</b>	(16,336)
National fiscal stabilisation levy paid	27	-	-	<b>(9,088)</b>	(9,755)
<b>Net cash generated from operating activities</b>		<b>60,105</b>	12,496	<b>428,862</b>	256,028
<b>Cash flows from investing activities</b>					
Net acquisition of investment securities	11	<b>(5,359)</b>	(10,105)	<b>(261,647)</b>	(305,237)
Acquisition of investment property	8	-	-	<b>(316)</b>	(1,466)
Acquisition of property and equipment	6	<b>(804)</b>	(828)	<b>(15,312)</b>	(12,464)
Proceeds from sale of property and equipment	6	<b>68</b>	104	<b>334</b>	1,004
Purchase of intangible assets	7	-	-	<b>(84)</b>	(3)
Net cash used in acquisition of shares in subsidiary	44	<b>(42,000)</b>	(122,483)	<b>(27,821)</b>	-
<b>Net cash used in investing activities</b>		<b>(48,095)</b>	(133,312)	<b>(304,846)</b>	(318,166)
<b>Cash flows from financing activities</b>					
Dividends paid to non-controlling interest	21	-	-	<b>(50,534)</b>	(21,818)
Dividends paid to equity shareholders		<b>(10,595)</b>	(9,228)	<b>(10,595)</b>	(9,228)
Repayment of loan principal	24	-	-	<b>(3,052)</b>	(17,630)
Principal lease payments	40	<b>(1,284)</b>	(1,216)	<b>(1,675)</b>	(1,696)
Tax on transfer to stated capital		-	-	<b>(184)</b>	-
<b>Net cash used in financing activities</b>		<b>(11,879)</b>	(10,444)	<b>(66,040)</b>	(50,372)
Net increase /(decrease) in cash and bank balances		<b>131</b>	(131,260)	<b>57,976</b>	(112,510)
Cash and bank balances at beginning of year		<b>31,944</b>	163,204	<b>204,407</b>	322,175
Effects of exchange rate movements on translation of foreign operations		-	-	<b>(2,874)</b>	(5,258)
Cash and bank balances at end of year	15	<b>32,075</b>	31,944	<b>259,509</b>	204,407

The notes on pages 67 to 137 form an integral part of these financial statements.

# Notes

## 1. Reporting entity

Enterprise Group Plc (the “Company”) is a public limited liability company incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The Company and its subsidiaries are registered to carry on the business of investments, life and non-life insurance underwriting, pensions funds management, provision of funeral services and real estate development and management. The registered office of the Company is Advantage, Place Mayor, Road Ridge West Accra.

The separate and consolidated financial statements comprise the financial statements of the Company standing alone and its subsidiaries (together the “Group”) for the year ended 31 December 2021. The Company is listed on the Ghana Stock Exchange.

## 2. Summary of significant accounting policies

The significant accounting policies adopted by the Group in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### 2.1.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

### 2.1.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, except for investment properties and equity securities measured at fair value and the life fund and incurred but not reported claims (IBNR) which are determined by an actuarial valuation.

The Group presents its statements of financial position broadly in order of liquidity, in an increasing order of liquidity.

### 2.1.3 Use of estimates and judgement

The preparation of the 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 5.

The financial statements have been prepared on the basis that the Company and its subsidiaries will continue to operate as a going concern.

### 2.1.4 New and amended standards adopted by the Group

The Group has applied the following standards and interpretations for the first time to financial reporting periods commencing on or after 1 January 2021:

#### COVID-19-related Rent Concessions – Amendments to IFRS 16

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The amendments did not have any material impact on the results or financial position of the Group for the year ended 31 December 2021.

## Notes *(continued)*

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

#### 2.1.4 New and amended standards adopted by the Group *(continued)*

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

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.

The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

The Group's exposure to LIBOR is limited to borrowing of GH¢26,122,500 (Note 24) which matures in June 2026. The borrowing references the 6-month LIBOR with final cessation date of June 2023. The Group will commence negotiations for the transition to the alternative reference rate with the lender during the next financial year.

#### 2.1.5 New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group.

##### IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

## Notes *(continued)*

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

#### 2.1.5 **New standards and interpretations not yet adopted by the Group** *(continued)*

##### **IFRS 17 Insurance Contracts** *(continued)*

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The Group has instituted an IFRS 17 project implementation plan under the supervision of the Executive Committee, who coordinate the activities of senior finance, actuarial and information technology executives from impacted business areas. The Group is currently assessing the impact of the Standard on its operations.

The Standard was originally effective 1 January 2021, but extended to 1 January 2023 by the IASB in March 2020.

##### **Classification of Liabilities as Current or Non-current – Amendments to IAS 1**

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

##### **Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16**

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities.

This amendment is effective for reporting periods beginning on or after 1 January 2022.

##### **Annual Improvements to IFRS Standards 2018 – 2020**

The following improvements were finalised in May 2020:

IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2022.

## Notes *(continued)*

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

#### 2.1.5 New standards and interpretations not yet adopted by the Group *(continued)*

##### **Disclosure of Accounting Policies- Amendments to IAS 1 and IFRS Practice Statement 2**

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023.

##### **Definition of Accounting Estimates– Amendments to IAS 8**

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023.

##### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Taxes require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023.

## Notes *(continued)*

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

#### 2.2 Principles of consolidation and equity accounting

##### *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

##### *Subsidiaries*

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

## Notes *(continued)*

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

#### 2.2 Principles of consolidation and equity accounting *(continued)*

##### *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

##### *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.8.

##### *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes 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.

##### *Separate financial statements*

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

## Notes *(continued)*

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

#### 2.3 Foreign Currency translation

##### *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The separate and consolidated financial statements are presented in Ghana cedi (GH¢), which is Company's functional and presentation currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in "other income/ expense" in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates ruling at the dates of initial recognition.

##### *Foreign operations*

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this 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.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## Notes *(continued)*

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

#### 2.4 Property and equipment

##### *Recognition and measurement*

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

##### *Subsequent expenditure*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

##### *Depreciation*

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

Building	2.5% - 4%
Motor vehicles	25%
Furniture and fittings	12.5% - 25%
Office equipment	20% - 25%

Land is not depreciated.

##### *Derecognition*

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

##### *Capital work in progress*

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

#### 2.5 Intangible assets

##### *Recognition and measurement*

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

## Notes *(continued)*

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

#### 2.5 **Intangible assets** *(continued)*

##### *Subsequent expenditure*

Subsequent expenditure on software is capitalised only when it increases future economic benefits embodied in the specific asset to which it relates and cost can be reliably measured. All other expenditure is expensed as incurred.

##### *Amortisation*

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

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

##### *Derecognition*

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

#### 2.6 **Investment Property**

##### *Recognition and measurement*

Property that is held for long term rental yields or for capital appreciation or both, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

##### *Subsequent measurement*

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

Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. It may sometimes be difficult to determine reliably the fair value of the investment property under construction.

In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- the level of reliability of cash inflows after completion;
- the development risk specific to the property;
- past experience with similar constructions; and
- status of construction permits.

## Notes *(continued)*

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

#### 2.6 Investment Property *(continued)*

##### *Subsequent measurement (continued)*

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

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

##### *Derecognition*

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

##### *Reclassification to property and equipment*

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

##### *Dual-use property*

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

##### *Leasing arrangements*

The investment properties are leased to tenants under operating leases with rentals payable quarterly, semi-annually or annually. Lease payments for some contracts include inflationary increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

## Notes *(continued)*

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

#### 2.7 Leases

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

##### *Group acting as the lessee*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The finance cost is presented as an operating activity in the statement of cash flows.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

##### *The Group's leasing activities and how these are accounted for*

The Group leases various offices branches and other premises under non-cancellable lease arrangements. Rental contracts are typically made for fixed periods of six months to eight years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

## Notes *(continued)*

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

#### 2.7 Leases *(continued)*

*The Group's leasing activities and how these are accounted for (continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

#### *Extension and termination options*

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group presents right-of-use assets in 'property and equipment' and lease liabilities as a separate line item On the statement of financial position.

#### *The Group acting as the lessor*

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

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

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

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

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

## Notes *(continued)*

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

#### 2.8 Impairment of non-financial assets

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

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

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

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

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

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amount of assets in the CGUs on a pro rata basis. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 2.9 Financial assets and financial liabilities

##### Financial assets

##### *(i) Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### *(ii) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## Notes *(continued)*

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

#### 2.9 Financial assets and financial liabilities *(continued)*

##### Financial assets *(continued)*

##### *(iii) Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

##### *(iv) Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For debt investments, the Group applies the general approach to determine the ECL.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. There is no impairment on trade receivables because the Group had no history of default and the directors did not identify any forward looking information which could materially impact the payment profile of the Group's customers.

## Notes *(continued)*

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

#### 2.9 Financial assets and financial liabilities *(continued)*

##### Financial assets *(continued)*

##### *(iv) Impairment (continued)*

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of goods and from the provision of services
- debt investments carried at amortised cost, and
- debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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

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

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition 'investment grade'. The Group does not apply the low credit risk exemption to any other financial instruments. The impairment identified on debt investments measured at amortised is considered immaterial and has not been recognised in the financial statements.

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

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

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

##### *Measurement of ECL*

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

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

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

## Notes *(continued)*

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

#### 2.9 Financial assets and financial liabilities *(continued)*

##### Financial assets *(continued)*

##### *(iv) Impairment (continued)*

##### *Significant increase in credit risk (SICR)*

The Group considers a financial asset to have experienced a significant increase in credit risk when the remaining Lifetime PD at the reporting date has increased beyond a set threshold, compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised. Other qualitative criteria are considered in determining whether a financial asset has experienced a significant increase in credit risk.

A backstop is applied and the financial asset considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

A backstop is applied and the financial asset considered to credit-impaired if the borrower is more than 90 days past due on its contractual payments.

##### *Trade receivables and contract assets*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the exchange rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

##### *Presentation of loss allowances in the financial statements*

Loss allowances for ECL on financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the assets. Loss allowances for ECL are presented as a separate line item- 'impairment loss on financial instruments'- in the statement of comprehensive income.

## Notes *(continued)*

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

#### 2.9 Financial assets and financial liabilities *(continued)*

##### Financial assets *(continued)*

###### *Write-off*

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-offs. This assessment is carried out at an individual asset level.

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

Financial assets that are fully written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### Financial liabilities

###### *Classification and subsequent measurement*

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

###### *Derecognition*

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

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

###### *Offsetting*

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

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

#### 2.10 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore they are measured subsequently at amortised cost using the effective interest method.

Other receivables generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

## Notes *(continued)*

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

#### 2.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.12 Cash and cash equivalents

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

#### 2.13 Insurance contracts

Companies within the Group licensed to carry out insurance business undertake contracts to underwrite significant insurance risk. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk.

As a general guideline, the Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at more than the benefits payable if the insured event did not occur.

##### *(i) Recognition and measurement*

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

##### *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).

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

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

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

## Notes *(continued)*

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

#### 2.13 Insurance contracts *(continued)*

##### (i) Recognition and measurement *(continued)*

##### *Non-life insurance contracts (continued)*

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 entities within the Group issuing non-life insurance contracts in Ghana as required by the regulatory authority in Ghana. Transfers to and from the contingency reserve are treated as appropriations of retained earnings.

##### *Life Insurance contracts*

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

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

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

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

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used.

The liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

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

## Notes *(continued)*

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

#### 2.13 Insurance contracts *(continued)*

##### *(ii) Reinsurance contracts held*

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

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss. These processes are described in Note 2.9.

Gains or losses on buying reinsurance are recognised in the statement of comprehensive income immediately at the date of purchase and are not amortised.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held.

Insurance contracts entered into by the Group under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts. Contracts that do not meet these classifications are classified as financial assets.

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

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

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

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

##### *(iii) Receivables and payables related to insurance contracts*

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

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss. These processes are described in Note 2.9

## Notes *(continued)*

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

#### 2.13 Insurance contracts *(continued)*

##### *(iii) Receivables and payables related to insurance contracts*

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.9, have been met.

##### *Salvage and subrogation reimbursements*

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

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

##### *(iv) 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.

##### *(v) Deferred commission expense and income*

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

#### 2.14 Income tax

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

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

## Notes *(continued)*

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

#### 2.14 Income tax *(continued)*

##### *Current tax*

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

##### *Deferred tax*

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

Deferred tax is not recognised for:

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

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

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

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

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

#### 2.15 Share capital

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

## Notes *(continued)*

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

#### 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 Earnings per share (EPS)

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

#### 2.18 Revenue

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

##### *Premium income*

The accounting policy in relation to revenue from insurance contracts is disclosed in Note 2.13.

##### *Dividend income*

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

##### *Rental income*

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

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

##### *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.

##### *Sale of goods and rendering of services*

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

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

## Notes *(continued)*

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

#### 2.18 Revenue *(continued)*

Sale of goods and rendering of services *(continued)*

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

#### 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 Policy holder 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

*Short term employee benefits*

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

## Notes *(continued)*

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

#### 2.22 Employee benefits *(continued)*

##### *Defined contribution plans*

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

##### *Social security contributions*

The Group contributes to the defined contribution scheme (the Social Security Fund) on behalf of employees. The Group operates the two-tier pension scheme. Contributions by the Group to the mandatory tier one and tier two schemes are determined by law; currently the employer contributes 13% of employee's basic salary while employee contributes 5.5%. Out of the total contribution of 18.5%, the Group remits 13.5% to Social Security and National Insurance Trust towards the first-tier pension scheme and the remaining 5% to a privately managed scheme by Enterprise Trustees Limited under the mandatory second tier.

##### *Provident fund*

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

#### 2.23 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories, cost includes of raw materials and an appropriate share of production overheads based on normal operating capacity.

#### 2.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. It includes revenues and expenses relating to transactions with the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3. MANAGEMENT OF INSURANCE RISK 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.

##### *(a) Management of non-life insurance risk*

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

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

## Notes *(continued)*

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

#### 3.1 Insurance risk *(continued)*

##### *(a) Management of non-life insurance risk (continued)*

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 RISK AND FINANCIAL RISK *(continued)*

#### 3.1 Insurance risk *(continued)*

##### *(b) Exposure to non-life insurance risk*

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

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

The underwriting mandates are applicable to both internal and external underwriters and partners. Ongoing review and analysis of underwriting information enables the Group to monitor its risks and take timely corrective action.

The ability to adjust premiums allows the Group to mitigate the risk of underwriting losses by addressing adverse loss ratios in terms of different classes of business and different portfolio or the risk of fraudulent claims is reduced by internal controls embedded in claims-handling processes and specific techniques developed to proactively detect fraudulent claims.

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

The underwriting mandates are applicable to both internal and external underwriters and partners. Ongoing review and analysis of underwriting information enables the Group to monitor its risks and take timely corrective action. The ability to adjust premiums allows the Group to mitigate the risk of underwriting losses by addressing adverse loss ratios in terms of different classes of business and different portfolio or clients.

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

The objectives and responsibilities of the department are approved by the Board of Directors.

##### *(ii) Re insurance strategy*

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

##### *(iii) Risk retention parameters*

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

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

##### *(iv) Treaty and Facultative placing process*

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

## Notes *(continued)*

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

#### 3.1 Insurance risk *(continued)*

##### *(c) Sources of uncertainty in the estimation of future claim payments*

under existing insurance contracts. As such reasonable provisions are made to adequately cater for all insurance obligations when they arise.

##### *(i) Claims provision*

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

##### *(ii) Notified claims*

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

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

##### *(iii) Claims incurred but not 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.

##### *(d) Limiting exposure to insurance risk*

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

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.1 Insurance risk (continued)

(d) Limiting exposure to insurance risk (continued)

Product Type		Premiums	
		2021	2020
Motor	Gross	168,418	132,325
	Net	161,318	124,418
Fire	Gross	74,581	60,054
	Net	13,335	10,118
Marine	Gross	14,784	11,563
	Net	2,860	1,881
General Accident	Gross	50,531	33,462
	Net	24,230	18,923
Engineering	Gross	26,780	20,527
	Net	1,645	607
Aviation	Gross	76	1,755
	Net	63	32
Total	Gross	335,170	259,686
	Net	203,451	155,979

#### 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 Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. The assumptions used in the insurance contracts are disclosed in Note 5.1.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The concentration of life insurance risk before and after reinsurance by class in relation to the type of insurance risk acceptable is summarised in the following table which discloses the concentration of insurance liabilities by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the insurance liabilities (gross of reinsurance) arising from insurance contracts.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.1 Insurance risk (continued)

Management of life insurance risk (continued)

	2021		2020	
	Amount	% of total premium	Amount	% of total premium
Assured Education Plan	213,489	32%	177,910	33.7%
Assured Lifetime Needs Plan	182,968	27%	120,178	22.8%
Assured Funeral Plan	179,078	27%	144,894	27.4%
Assured Family Income Plan	24,428	4%	14,504	2.7%
Assured Lady Care	728	0%	877	0.2%
Group Life Plan	18,458	3%	13,992	2.7%
Credit Risk Plan	43,894	7%	50,383	9.5%
Micro Ensure Plan	2,276	0%	2,528	0.5%
Special Market Group Plan	4,275	1%	2,581	0.5%
	669,594		527,847	

#### Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. Estimated inflation is also a significant factor due to the long period typically required to settle these cases. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, and industry. The amount and timing of claims within the Group are typically settled within a year.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk

##### Overview of financial risk management

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.

##### Foreign exchange risk

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

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

<b>The Group</b>				
<b>At 31 December 2021</b>	<b>USD GHS'000</b>	<b>GBP GHS'000</b>	<b>EUR GHS'000</b>	<b>NGN GHS'000</b>
Financial assets:				
Bank balances	7,324	120	151	153,230
Due from reinsurers	1,435	53	70	-
Investment securities	-	-	-	3,844,108
Trade and other receivables	-	-	-	3,731,001
<b>Total financial assets</b>	<b>8,759</b>	<b>173</b>	<b>221</b>	<b>7,728,339</b>
Financial liabilities:				
Borrowings	(5,113)	-	-	-
Due to reinsurers	(2,224)	(191)	(27)	-
Lease liabilities	(804)	-	-	(27,519)
Other payables	-	-	-	(9,014)
<b>Total financial liabilities</b>	<b>(8,141)</b>	<b>(191)</b>	<b>(27)</b>	<b>(36,533)</b>
<b>Net exposure</b>	<b>618</b>	<b>(18)</b>	<b>194</b>	<b>7,691,806</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.1 Market risk (continued)

Foreign exchange risk (continued)

The Group				
At 31 December 2020	USD	GBP	EUR	NGN
Financial assets:				
Bank balances	5,791	156	199	181,566
Due from reinsurers	1,489	77	95	-
Investment securities	-	-	-	3,118,115
Trade and other receivables	-	-	-	4,006,004
Total financial assets	7,280	233	294	7,305,685
Financial liabilities:				
Borrowings	(4,515)	-	-	-
Due to reinsurers	(1,099)	(145)	(20)	-
Lease liabilities	(1,824)	-	-	(30,984)
Other payables	-	-	-	(11,250)
Total financial liabilities	(7,438)	(145)	(20)	(42,234)
Net exposure	(158)	88	274	7,263,451

The Company	2021		2020	
	USD	GBP	USD	GBP
Financial assets:				
Bank balances	1,373	-	5,791	156
Total financial assets	1,373	-	5,791	156
Financial liabilities:				
Lease liabilities	2,491	-	3,412	-
Other payables	-	-	-	-
Total financial liabilities	2,491	-	3,412	-
Net exposure	(1,118)	-	(2,379)	156

	Average rate		Year-end rate	
	2021	2020	2021	2020
USD 1	6.0250	5.8267	6.4500	5.9600
GBP 1	8.3994	7.1816	8.8023	8.1795
EUR 1	7.1978	6.4159	7.3989	7.3904
NGN 1	69.94	67.6216	70.84	69.0627

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.1 Market risk (continued)

###### Foreign exchange risk (continued)

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

###### Sensitivity analysis – currency risk

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

The Group	2021			2020		
	% Change	Impact Profit or loss	Impact Equity	% change	Impact Profit or loss	Impact Equity
USD	±2%	±21	±16	±2%	±19	±14
EUR	±2%	±49	±37	±2%	±40	±30
GBP	±2%	±18	±14	±2%	±14	±11
NGN	±2%	±2,590	±1,943	±2%	±2,103	±1,577

The Company	2021			2020		
	% Change	Impact Profit or loss	Impact Equity	% change	Impact Profit or loss	Impact Equity
USD	±2%	±19	±14	±2%	±116	±87
GBP	±2%	-	-	±2%	-	-

###### Interest rate risk

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

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

	The Company		The Group	
	2021	2020	2021	2020
Variable-rate instruments	-	-	26,123	(26,912)
Borrowings	-	-	26,123	(26,912)

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.1 Market risk (continued)

*Interest rate risk (continued)*

*Sensitivity analysis – interest rate risk*

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

The Group	2021		2020	
	Impact Profit or loss	Equity	Impact Profit or loss	Equity
<b>Variable -rate instruments</b>				
Borrowings	±131	±98	±135	±101

*Price risk*

The Group is exposed to equity securities price risk because of investments in quoted shares classified as fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with limits set by the Group. All listed investments held by the Group are traded on the Ghana Stock Exchange (GSE).

*Sensitivity analysis –Equity price risk*

At 31 December 2021, the Group and Company had listed equity security amounting to GH¢ 1.12 million and GH¢ 2.4 million respectively. If there was a 50 basis points increase or decrease in share prices of the Group and Company's listed equity instruments with all other variables held constant, the impact on profit or loss and equity would have been an increase or decrease of GH¢ 5.7million and GH¢120,084 after tax respectively (2020: GH¢ 285,000 and GH¢ 6,750).

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.2 Credit risk

###### *Management of 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:

- Receivables arising out of reinsurance arrangements;
- Due from related party
- Cash and bank balances
- Debt investment securities; and
- Trade 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 trade and other receivables and subsequent write offs. Internal Audit makes regular reviews to assess the degree of compliance with the procedures on credit. The Group is not exposed to credit risk from its insurance contract holders because in accordance with the regulator's directive, an insurer can only underwrite insurance risk when the premium is settled.

Exposure to financial institutions concerning deposits and similar transactions is monitored against approved limits. The Group manage credit risk associated with deposits with banks by transacting business with financial institutions licensed by the central banks of the respective jurisdictions in which the entities within the Group operate. Debt securities are instruments in the form of treasury bills and bonds issued by the Government in the respective jurisdictions in which the entities within the Group operate.

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

	The Company		The Group	
	2021	2020	2021	2020
Debt investment securities	<b>16,097</b>	10,738	<b>1,295,269</b>	1,036,787
Bank balances	<b>32,051</b>	31,925	<b>259,247</b>	204,356
Amount due from related party	<b>131,832</b>	139,977	-	-
Due from reinsurers	-	-	<b>11,782</b>	21,142
Trade and other receivables**	<b>37</b>	-	<b>59,174</b>	16,000
	<b>180,017</b>	182,640	<b>1,625,472</b>	1,278,285

\*\*Trade and other receivables excludes statutory receivables and deferred reinsurance expense.

None of the Company's financial assets are neither past due nor impaired at 31 December 2021 and 31 December 2020. The Company does not hold any collateral security.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.2 Credit risk (continued)

##### Management of credit risk

Except for due from reinsurers, matured investment receivable and receivable due from tenant none of the Group's financial assets are neither past due nor impaired at 31 December 2021 and 31 December 2020. The Group does not hold any collateral security.

Below is the analysis of the Group's impairment on financial assets for 2021 and 2020.

	Reinsurance receivable	Due from tenants	Matured investment receivable	Total
<b>31 December 2021</b>				
Impairment as at 1 January	1,005	60	10,000	<b>11,065</b>
(Release)/charge for year	-	(60)	(10,000)	<b>(10,060)</b>
<b>Balance as at 31 December</b>	<b>1,005</b>	<b>-</b>	<b>-</b>	<b>1,005</b>
<b>31 December 2020</b>				
Impairment as at 1 January	1,177	390	4,000	5,567
(Release)/charge for year	-	(330)	6,000	5,670
Write-off	(172)	-	-	(172)
<b>Balance as at 31 December</b>	<b>1,005</b>	<b>60</b>	<b>10,000</b>	<b>11,065</b>

##### Reinsurance receivable

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

##### Matured investment receivable

The change in the impairment balance is as a result of changes in the expected cash flows used in determining the recoverable amount as at 31 December 2021.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.3 Liquidity risk

###### Liquidity risk

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

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

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

The Company	Contractual cash flows (undiscounted)				
	Carrying amount	Up to One year	One to Five years	Above Five years	Total
<b>31 December 2021</b>					
**Trade and other payables	12,032	12,032	-	-	<b>12,032</b>
Due to related parties	21,933	21,933	-	-	<b>21,933</b>
Lease liabilities	13,703	2,754	10,705	4,069	<b>17,528</b>
	<b>47,668</b>	<b>36,719</b>	<b>10,705</b>	<b>4,069</b>	<b>51,493</b>
<b>31 December 2020</b>					
**Trade and other payables	9,403	9,403	-	-	9,403
Due to related parties	21,933	21,933	-	-	21,933
Lease liabilities	13,993	2,545	12,437	3,759	18,741
	<b>45,329</b>	<b>33,881</b>	<b>12,437</b>	<b>3,759</b>	<b>50,077</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK (continued)

#### 3.2 Financial risk (continued)

##### 3.2.3 Liquidity risk (continued)

The Group	Contractual cash flows (undiscounted)				
	Carrying amount	Up to One year	One to Five years	Above Five years	Total
<b>31 December 2021</b>					
Borrowings	26,123	20,835	8,488	-	<b>29,323</b>
**Trade and other payables	82,351	82,351	-	-	<b>82,351</b>
Due to re-insurers	18,028	18,028	-	-	<b>18,028</b>
Due to related parties	47,420	47,420	-	-	<b>47,420</b>
Lease liabilities	13,323	1,221	11,320	6,979	<b>19,520</b>
	<b>187,245</b>	<b>169,855</b>	<b>19,808</b>	<b>6,979</b>	<b>196,642</b>
<b>31 December 2020</b>					
Borrowings	26,912	21,898	8,540	-	30,438
**Trade and other payables	60,660	60,660	-	-	60,660
Due to re-insurers	14,581	14,581	-	-	14,581
Due to related parties	47,725	47,725	-	-	47,725
Lease liabilities	12,913	1,973	10,147	5,705	17,825
	162,791	146,837	18,687	5,705	171,229

\*\* This amount excludes deferred income and premium received in advance.

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

The Insurance Act, 2021 (Act 1061) requires each insurance company to hold the minimum level of paid-up capital of GH¢ 50million and to maintain a solvency margin of 150%. Capital adequacy and solvency margin are monitored regularly by management employing techniques based on the guidelines developed by the National Insurance Commission for supervisory purposes. The required information is filed with the National Insurance Commission on quarterly basis.

## Notes *(continued)*

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 3. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK *(continued)*

#### 3.3 Capital management *(continued)*

The paid up capital and capital adequacy ratio of the Life insurance and Non-life insurance companies based in Ghana was GH¢ 50 million and 371%, and GH¢ 50 million and 173% respectively as at the year end which was above the minimum requirement. The Group generally complied with all externally imposed capital requirements.

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

The table below summarises the minimum required capital and the regulatory capital held as at 31 December 2021. These figures are an aggregate number, being the sum of the statutory capital.

	Nature of activity	Regulatory capital held	Minimum regulatory capital requirement
Enterprise Insurance LTD	General Insurance	GH¢ 50 million	GH¢ 50 million
Enterprise Life Assurance LTD	Life Insurance	GH¢ 50 million	GH¢ 50 million
Enterprise Life Assurance Company (Gambia) Limited	Life Insurance	GMD20 million	GMD 20 million
Enterprise Trustees LTD	Pensions	GH¢ 7.4 million	GH¢ 1 million
Enterprise Life Assurance Company (Nigeria) Limited	Life Insurance	NGN8 billion	NGN8 billion
Acacia Health Insurance Limited	Health Insurance	GH¢18.3million	GH¢5 million

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 4. Accounting classifications and fair values

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

The Company	Amortised cost	FVTPL	Total	Level 1	Level 2	Level 3
<b>31 December 2021</b>						
<b>Financial assets measured at fair value:</b>						
Equity investment securities	-	2,403	2,403	2,400	3	-
<b>Financial assets not measured at fair value:</b>						
Debt investment securities	16,097	-	16,097	-	15,694	-
Due from related parties	130,680	-	130,680	-	-	130,680
Cash and bank balances	32,075	-	32,075	-	-	32,075
	<b>178,852</b>	<b>-</b>	<b>178,852</b>	<b>-</b>	<b>15,694</b>	<b>162,755</b>
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables	12,032	-	12,032	-	-	12,032
Due to related parties	21,933	-	21,933	-	-	21,933
Lease liabilities	13,703	-	13,703	-	-	13,703
	<b>47,668</b>	<b>-</b>	<b>47,668</b>	<b>-</b>	<b>-</b>	<b>47,668</b>
<b>The Company</b>						
<b>31 December 2020</b>						
<b>Financial assets measured at fair value:</b>						
Equity investment securities	-	1,796	1,796	1,796	3	-
<b>Financial assets not measured at fair value:</b>						
Debt investment securities	10,738	-	10,738	-	10,494	-
Due from related parties	139,977	-	139,977	-	-	139,977
Cash and bank balances	31,944	-	31,944	-	-	31,944
	<b>182,659</b>	<b>-</b>	<b>182,659</b>	<b>-</b>	<b>10,494</b>	<b>171,921</b>
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables	9,403	-	9,403	-	-	9,403
Due to related parties	21,933	-	21,933	-	-	21,933
Lease liabilities	13,993	-	13,993	-	-	13,993
	<b>45,329</b>	<b>-</b>	<b>45,329</b>	<b>-</b>	<b>-</b>	<b>45,329</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 4. Accounting classifications and fair values (continued)

The Group 31 December 2021	Amortised cost	FVTPL	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>						
Equity investment securities	-	116,034	116,034	114,167	1,867	-
<b>Financial assets not measured at fair value:</b>						
Debt investment securities	1,295,269	-	1,295,269	-	1,268,327	-
Trade and other receivables	57,174	-	57,174	-	-	57,174
Due from re-insurers	11,782	-	11,782	-	-	11,782
Cash and bank balances	259,509	-	259,509	-	-	259,509
	<b>1,623,734</b>	<b>-</b>	<b>1,623,734</b>	<b>-</b>	<b>1,268,327</b>	<b>328,465</b>
<b>Financial liabilities not measured at fair value:</b>						
Trade and other payables	82,351	-	82,351	-	-	82,351
Due to related parties	47,420	-	47,420	-	-	47,420
Due to re-insurers	18,028	-	18,028	-	-	18,028
Lease liabilities	13,703	-	13,703	-	-	13,703
Borrowings	26,123	-	26,123	-	27,184	-
	<b>187,625</b>	<b>-</b>	<b>187,625</b>	<b>-</b>	<b>27,184</b>	<b>161,502</b>
The Group 31 December 2020						
<b>Financial assets measured at fair value:</b>						
Equity investment securities	-	76,111	76,111	76,111	-	-
<b>Financial assets not measured at fair value:</b>						
Debt investment securities	1,036,787	-	1,036,787	-	1,023,085	-
Trade and other receivables	16,000	-	16,000	-	-	16,000
Due from re-insurers	21,142	-	21,142	-	-	21,142
Cash and bank balances	204,407	-	204,407	-	-	204,407
	<b>1,278,336</b>	<b>-</b>	<b>1,278,336</b>	<b>-</b>	<b>1,023,085</b>	<b>241,549</b>
<b>Financial liabilities not measured at fair value:</b>						
Borrowings	26,912	-	26,912	-	-	26,912
Trade and other payables	60,660	-	60,660	-	-	60,660
Due to re-insurers	14,581	-	14,581	-	-	14,581
Due to related parties	47,725	-	47,725	-	-	47,725
Lease liabilities	12,913	-	12,913	-	-	12,913
	<b>162,791</b>	<b>-</b>	<b>162,791</b>	<b>-</b>	<b>-</b>	<b>162,791</b>

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 5. Critical accounting estimates and judgements

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

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

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

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

##### i) Mortality

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

Allowance for worsening mortality as a result of AIDS has been made using a widely accepted AIDS and demographic model, calibrated to reflect the contract holder population being modelled.

##### ii) Morbidity

Morbidity and accident investigations are done annually.

##### iii) Persistency

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

##### iv) Expenses

The budgeted expense for 2021 is taken as an appropriate expense base. Provision for future renewal expenses starts at a level consistent with the budgeted experience for the 2021 financial year and allows for escalation at an assumed expense inflation. The allocation of total expenses between initial and renewal is based on a functional cost analysis for both grouped and individual business.

##### v) Investment returns

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

## Notes *(continued)*

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 5. Critical accounting estimates and judgements *(continued)*

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

##### Sensitivity analysis

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

Variable	Change in variable	Impact on profit and loss	
		2021	2020
Worsening in mortality	+1% p.a	<b>1,872</b>	192
Worsening of expense inflation	+1% p.a	<b>7,169</b>	4,580
Worsening of lapse rate	+10%	<b>2,573</b>	6,392

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

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

There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The Group makes certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

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

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

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. General insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims), and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the 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. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree.

## Notes *(continued)*

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 5. Critical accounting estimates and judgements *(continued)*

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

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.

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

#### 5.3 Investment property

The valuation was determined by a professional independent valuer principally based on sales price of comparable properties in close proximity and adjusted for size of the property. The inputs used in estimating the value of the Group's investment properties are not quoted on an active market and are classified under level 3 fair value hierarchy classification. The inputs include:

Future rental cash inflow	based on existing leases;
Discount factor	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	based on current and expected future market conditions after expiry of any current lease;
Expenses	including necessary investments to maintain functionality of the property for its expected useful life; and
Capitalisation rates	based on returns expected to be generated from the property.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 6. Property and equipment

#### The Company

Year ended 31 December 2021	Motor vehicles	Equipment, fittings and furniture	Right-of- use asset (Building)	Total
<b>Cost</b>				
Balance at 1 January 2021	4,974	6,499	14,010	<b>25,483</b>
Additions	643	160	61	<b>864</b>
Disposal	(576)	-	-	<b>(576)</b>
Balance at 31 December 2021	<b>5,041</b>	<b>6,659</b>	<b>14,071</b>	<b>25,771</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2021	2,343	2,932	2,961	<b>8,236</b>
Charge for the year	1,164	1,050	1,486	<b>3,700</b>
Disposal	(576)	-	-	<b>(576)</b>
<b>Balance at 31 December 2021</b>	<b>2,931</b>	<b>3,982</b>	<b>4,447</b>	<b>11,360</b>
<b>Net book value</b>	<b>2,110</b>	<b>2,677</b>	<b>9,624</b>	<b>14,411</b>
Year ended 31 December 2020				
<b>Cost</b>				
Balance at 1 January 2020	4,869	6,274	13,495	24,638
Additions	603	225	515	1,343
Disposals	(498)	-	-	(498)
Balance at 31 December 2020	4,974	6,499	14,010	25,483
<b>Accumulated depreciation</b>				
Balance at 1 January 2020	1,678	1,899	1,452	5,029
Charge for the year	1,163	1,033	1,509	3,705
Disposals	(498)	-	-	(498)
Balance at 31 December 2020	2,343	2,932	2,961	8,236
<b>Net book value</b>	<b>2,631</b>	<b>3,567</b>	<b>11,049</b>	<b>17,247</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 6. Property and equipment (continued)

The Group	Building and leasehold property	Motor vehicles	Equipment, furniture and fittings	Right-of-use asset (Building)	Capital work-in-progress	Total
<b>Cost</b>						
At 1 January 2021	33,906	22,647	35,467	22,513	5,350	<b>119,883</b>
Additions	4,882	6,685	4,251	2,649	4,350	<b>22,817</b>
Remeasurement	-	-	-	(797)		<b>(797)</b>
Disposals & write offs	-	(2,091)	(76)	-	(2,230)	<b>(4,397)</b>
Exchange differences	-	(86)	(34)	(30)	(36)	<b>(186)</b>
<b>At 31 December 2021</b>	<b>38,788</b>	<b>27,155</b>	<b>39,608</b>	<b>24,335</b>	<b>7,434</b>	<b>137,320</b>
Accumulated depreciation						
<b>At 1 January 2021</b>	6,314	12,890	18,222	7,076	-	<b>44,502</b>
Charge for the year	2,893	6,073	4,119	3,443	-	<b>16,528</b>
Disposal	-	(1,876)	(62)	-	-	<b>(1,938)</b>
Exchange differences	-	-	-	19	-	<b>19</b>
At 31 December 2021	<b>9,207</b>	<b>17,087</b>	<b>22,279</b>	<b>10,538</b>	-	<b>59,111</b>
<b>Net book amount at 31 December 2021</b>	<b>29,581</b>	<b>10,068</b>	<b>17,329</b>	<b>13,797</b>	<b>7,434</b>	<b>78,209</b>
<b>Cost</b>						
At 1 January 2020	33,549	21,421	32,379	12,709	8,569	108,627
Additions	357	3,678	2,973	9,836	5,456	22,300
Disposals & write offs	-	(3,117)	(68)	-	(39)	(3,224)
Transfers	-	666	182	-	(848)	-
Transfer to investment property	-	-	-	-	(7,675)	(7,675)
Exchange differences	-	(1)	1	(32)	(113)	(145)
At 31 December 2020	33,906	22,647	35,467	22,513	5,350	119,883
Accumulated depreciation						
At 1 January 2020	4,254	11,309	13,515	3,487	-	32,565
Charge for the year	2,060	4,613	4,769	3,592	-	15,034
Disposal	-	(3,031)	(67)	-	-	(3,098)
Exchange differences	-	(1)	5	(3)	-	1
At 31 December 2020	6,314	12,890	18,222	7,076	-	44,502
<b>Net book amount at 31 December 2020</b>	<b>27,592</b>	<b>9,757</b>	<b>17,245</b>	<b>15,437</b>	<b>5,350</b>	<b>75,381</b>

There was no indication of impairment of property and equipment held by the Group and the Company at 31 December 2021 (2020: Nil). None of the property and equipment of the Group and the Company had been pledged as security for liabilities and there were no restrictions on the title of any Group's and the Company's property and equipment at the reporting date and at the end of the previous year.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 6. Property and equipment (continued)

#### Disposal of property and equipment

	The Company		The Group	
	2021	2020	2021	2020
<b>Cost</b>	<b>576</b>	498	<b>4,397</b>	3,073
Accumulated depreciation	<b>(576)</b>	(498)	<b>(1,938)</b>	(2,984)
Carrying amount	-	-	<b>2,459</b>	89
Proceeds from disposal	<b>(68)</b>	(104)	<b>(334)</b>	(1,004)
<b>(Profit)/loss on disposal</b>	<b>(68)</b>	(104)	<b>2,125</b>	(915)

### 7. Intangible assets

The Group	2021	2020
<b>Cost</b>		
Balance at 1 January	<b>3,324</b>	3,321
Additions	<b>84</b>	3
Exchange difference	<b>3</b>	-
<b>Balance at 31 December</b>	<b>3,411</b>	3,324
<b>Accumulated amortisation</b>		
Balance at 1 January	<b>3,212</b>	2,219
Charge for the year	<b>112</b>	993
Exchange difference	<b>2</b>	-
Balance at 31 December	<b>3,326</b>	3,212
<b>Carrying amounts At 31 December</b>	<b>85</b>	112

*All intangible assets are externally acquired computer software.*

### 8. Investment properties

The Group	2021	2020
Balance at 1 January	<b>288,519</b>	270,493
Subsequent expenditure	<b>11,625</b>	1,466
Transfer from property and equipment	-	7,675
Net gain on valuation of investment properties	<b>790</b>	8,885
- Change in fair value excluding exchange difference on valuation	<b>(18,124)</b>	(2,441)
- Exchange difference on valuation	<b>18,914</b>	11,326
<b>Balance at 31 December</b>	<b>300,934</b>	288,519

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 8. Investment property (continued)

The fair values of the Group's investment properties were derived by an independent valuer using the sales prices of comparable properties in close proximity and adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is rental income per square foot. As set out in note 5.3, the basis for fair value estimation of investment properties is considered as level 3 of the fair value hierarchy.

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

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

### 9. Investment in subsidiaries

During the year, Enterprise Group Plc acquired a new subsidiary known as Acacia Health Insurance Limited (AHIL). AHIL was set up to manage health insurance schemes. It is 100% owned by Enterprise Group Plc.

	The Company	
	2021	2020
Enterprise Insurance LTD	59,546	59,546
Enterprise Life Assurance LTD	82,711	82,711
Enterprise Trustees LTD	16,437	16,437
Enterprise Properties LTD	5,706	5,706
Enterprise Life Assurance Company (Nigeria) Limited	122,483	122,483
Acacia Health Insurance Limited	30,150	-
	<b>317,033</b>	<b>286,883</b>

Name of subsidiary	Country of in corporation	Percentage interest held by the Company	
		2021	2020
Enterprise Insurance LTD	Ghana	75%	75%
Enterprise Life Assurance LTD	Ghana	60%	60%
Enterprise Trustees LTD	Ghana	80%	80%
Enterprise Properties LTD	Ghana	70%	70%
Enterprise Life Assurance Company (Nigeria) Limited	Nigeria	100%	100%
Acacia Health Insurance Limited	Ghana	100%	-

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 9. Investment in subsidiaries (continued)

The remaining shares for all the entities within the Group are held by Black Star Holdings Limited (non-controlling interest).

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. None of the subsidiaries issued preference shares during the year ended 31 December 2021 (2020: Nil).

### 10. Non-controlling interest

Total comprehensive income attributable to non-controlling interest

	2021	2020
<b>Profit for the year</b>	<b>55,240</b>	65,385
Foreign currency translation reserve	<b>1,253</b>	(167)
	<b>56,493</b>	65,218

The total non-controlling interest for the year ended 31 December 2021 are set out below:

	2021	2020
Enterprise Assurance LTD	<b>111,542</b>	109,268
Enterprise Insurance LTD	<b>39,221</b>	31,556
Enterprise Trustees LTD	<b>8,508</b>	6,370
Enterprise Properties LTD	<b>30,885</b>	25,905
	<b>190,156</b>	173,099

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

#### Summarised statement of financial position

	Enterprise Insurance LTD		Enterprise Life Assurance LTD		Enterprise Properties LTD	
	2021	2020	2021	2020	2021	2020
<b>Current</b>						
Assets	<b>338,714</b>	49,638	<b>1,182,598</b>	151,137	<b>16,698</b>	10,985
Liabilities	<b>(196,711)</b>	(141,729)	<b>(86,765)</b>	(51,258)	<b>(27,143)</b>	(160,943)
<b>Total current net (liabilities)/ assets</b>	<b>142,003</b>	(92,091)	<b>1,095,833</b>	99,879	<b>(10,445)</b>	(149,958)
<b>Non-current</b>						
Assets	<b>30,282</b>	235,832	<b>102,894</b>	870,451	<b>282,132</b>	268,656
Liabilities	<b>(15,405)</b>	(17,518)	<b>(919,867)</b>	(697,159)	<b>(168,739)</b>	(32,349)
<b>Total non-current net assets</b>	<b>14,877</b>	218,314	<b>(816,973)</b>	173,292	<b>113,393</b>	236,307
<b>Net assets</b>	<b>156,880</b>	126,223	<b>278,860</b>	273,171	<b>102,948</b>	86,349

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 10. Non-controlling interest (continued)

#### Summarised statement of comprehensive income

	Enterprise Insurance LTD		Enterprise Life Assurance LTD		Enterprise Properties LTD	
	2021	2020	2021	2020	2021	2020
Net insurance premium revenue	203,451	139,574	607,233	511,812	-	-
Rental income	-	-	1,152	1,356	16,463	13,940
Profit before income tax and national fiscal stabilisation levy	50,243	32,373	97,729	146,372	17,988	7,311
Profit after income tax and national fiscal stabilisation levy	35,601	22,415	92,557	138,622	16,599	4,259
Other comprehensive income	-	-	3,132	1,463	-	-
Total comprehensive income	35,601	22,415	95,689	140,085	16,599	4,259

#### Summarised statement of cash flows

##### Cash flows from operating activities:

Net cash generated from operating activities	74,022	46,685	319,627	142,682	9,191	15,511
Net cash used in investing activities	(48,415)	(50,160)	(269,027)	(35,961)	(4,840)	(621)
Net cash used in financing activities	(7,370)	(3,319)	(102,487)	(69,447)	(4,678)	(17,630)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,237</b>	<b>(6,794)</b>	<b>(51,887)</b>	<b>37,274</b>	<b>(327)</b>	<b>(2,740)</b>
Cash and cash equivalents at 1 January	34,260	41,054	146,203	106,206	2,428	5,168
<b>Cash and cash equivalents at 31 December</b>	<b>52,497</b>	<b>34,260</b>	<b>94,316</b>	<b>143,480</b>	<b>2,101</b>	<b>2,428</b>

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

### 11. Investment securities

	The Company		The Group	
	2021	2020	2021	2020
Investment securities				
- Listed equity securities	2,400	1,796	114,167	76,111
- Unlisted equity securities	3	3	1,867	3
Total equity securities	2,403	1,799	116,034	76,114
Unlisted debt securities	16,097	10,738	1,295,269	1,036,787
<b>Balance at 31 December</b>	<b>18,500</b>	<b>12,537</b>	<b>1,411,303</b>	<b>1,112,901</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 11. Investment securities (continued)

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

	The Company		The Group	
	2021	2020	2021	2020
<b>Equity securities</b>				
Balance at 1 January	<b>1,799</b>	2,042	<b>76,114</b>	94,710
Purchases of equity securities	-	-	<b>3,165</b>	152
Net gains/(loss) on equity securities	<b>604</b>	(243)	<b>36,755</b>	(18,748)
<b>Balance at 31 December</b>	<b>2,403</b>	1,799	<b>116,034</b>	76,114

The components of financial assets at amortised cost is summarised in the table below:

<b>Debt securities</b>				
Fixed deposits	-	-	<b>23,832</b>	65,993
Treasury bills	<b>16,097</b>	10,738	<b>441,414</b>	293,594
Bonds	-	-	<b>830,023</b>	667,200
Matured investment receivable	-	-	-	20,000
	<b>16,097</b>	10,738	<b>1,295,269</b>	1,046,787
Impairment of matured investment receivable	-	-	-	(10,000)
<b>Balance at 31 December</b>	<b>16,097</b>	10,738	<b>1,295,269</b>	1,036,787
Current	<b>16,097</b>	10,738	<b>402,848</b>	266,305
Non-current	-	-	<b>892,421</b>	770,482
	<b>16,097</b>	10,738	<b>1,295,269</b>	1,036,787

### 12. Trade and other receivables

	The Company		The Group	
	2021	2020	2021	2020
Trade receivables	-	-	<b>10,233</b>	7,452
Staff loans	-	-	<b>106</b>	3
Deferred reinsurance cost	-	-	<b>994</b>	891
Other receivables	<b>37</b>	-	<b>48,835</b>	8,545
<b>Balance at 31 December</b>	<b>37</b>	-	<b>60,168</b>	16,891

The maximum amount of staff loans during the year did not exceed GH¢323,854 (2020:GH¢3,000). All trade and other receivables are current and their carrying values approximate their fair value.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 13. Deferred commission expense

#### The Group

	2021	2020
Balance at 1 January	13,832	10,102
Commission expense deferred	6,558	3,730
<b>Balance at 31 December</b>	<b>20,390</b>	13,832

### 14. Re-insurance assets and liabilities

#### The Group

	2021	2020
Due from re-insurers	12,787	22,147
Impairment	(1,005)	(1,005)
<b>Balance at 31 December</b>	<b>11,782</b>	21,142

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

	2021	2020
Due to re-insurers	18,028	14,581

### 15. Cash and bank balances

	The Company		The Group	
	2021	2020	2021	2020
Cash on hand	24	19	262	51
Bank balances	32,051	31,925	259,247	204,356
	<b>32,075</b>	31,944	<b>259,509</b>	204,407

### 16. Statutory deposit

In accordance with the Insurance Act, 2021 (Act 1061), Enterprise Life Assurance LTD and Enterprise Insurance LTD are expected to have 10% of their minimum capital as statutory deposits which is not available for use in day-to-day operations of the business.

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 16. Statutory deposit (continued)

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

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

	Currency	2021	2020
Enterprise Life Assurance LTD	GH¢	<b>5,539</b>	2,812
Enterprise Insurance LTD	GH¢	<b>1,844</b>	1,723
Enterprise Life Assurance Company (Gambia) Limited	GMD	<b>885</b>	858
Enterprise Life Assurance Company (Nigeria) Limited	NAIRA	<b>4,000,000</b>	4,000,000
Acacia Health Insurance Limited	GH¢	<b>1,416</b>	1,238

These amounts have been included in investment securities in the financial statements.

### 17. Capital and reserves

#### Stated capital

The authorised shares of the Company are 200,000,000 (2020: 200,000,000) ordinary shares of no-par value. The issued ordinary shares at 31 December 2021 and 31 December 2020 is as follows:

	No. of shares		Proceeds	
	2021	2020	2021	2020
	'000	'000		
Balance at 1 January & 31 December	<b>170,893</b>	170,893	<b>258,886</b>	258,886

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

#### Deposits for shares

These represent additional capital contributed by Black Star Holding for additional shares of the Company. The amount will be transferred to stated capital upon completion of the required formalities at the Registrar General's Department.

#### Retained earnings

The retained earnings account represents amounts available for distribution to the members of the Company subject to the requirements of the Companies Act, 2019 (Act 992).

#### Foreign currency translation reserve

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 17. Capital and reserves (continued)

#### Contingency reserves

Contingency reserves relates to funds sets aside on an annual basis as required by the respective Insurance Acts of the companies operating in the insurance industries. Movements in the contingency reserve are shown in the statement of changes in equity on pages 63 and 64 of these financial statements.

#### Statutory reserves

Statutory reserves is in respect to Enterprise Trustee LTD as prescribed by section 15 of the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990). Transfers to and from this reserve are calculated as 15% of profit after tax, and are treated as appropriations of retained earnings. Movements in the statutory reserves are shown in the statement of changes in equity on pages 63 and 64 of these financial statements.

### 18. Life Fund – Insurance Contract Liabilities

#### The Group

	2021	2020
Balance at 1 January	677,916	569,252
Charge to income statement	241,761	108,565
Translation difference	1,346	99
<b>Balance at 31 December</b>	<b>921,023</b>	<b>677,916</b>

An independent actuary carried out the valuation of the Life Fund as at 31 December 2021 and 31 December 2020.

### 19. Unearned premium reserve

#### The Group

	2021	2020
Balance at 1 January	56,405	40,000
Assumed on Acacia purchase	12,216	-
Change in unearned premium reserve	21,759	16,405
<b>Balance at 31 December</b>	<b>90,380</b>	<b>56,405</b>

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 20. Outstanding claims

The Group	2021	2020
Balance at 1 January	46,045	36,014
Claims incurred	104,975	121,672
Claims paid	(98,727)	(113,690)
Change in incurred but not reported provision	8,904	2,049
<b>Balance at 31 December</b>	<b>61,197</b>	<b>46,045</b>

Outstanding claims is analysed as follows:

Gross outstanding claims	47,303	26,915
Reinsurance recoveries	(20,392)	(6,252)
Incurred but not reported provision	34,286	25,382
<b>Balance at 31 December</b>	<b>61,197</b>	<b>46,045</b>

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

*Incurred but not reported provision*

Balance at 1 January	25,382	23,333
Incurred but not reported provision	8,904	2,049
<b>Balance at 31 December</b>	<b>34,286</b>	<b>25,382</b>

An independent actuary carried out the valuation of the incurred but not reported provision as at 31 December 2021 and 31 December 2020.

### 21. Trade and other payables

	The Company		The Group	
	2021	2020	2021	2020
Accrued expenses and other payables	12,032	9,403	127,028	71,340
Dividend payable	-	-	-	11,282
	<b>12,032</b>	<b>9,403</b>	<b>127,028</b>	<b>82,622</b>

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

*Dividend payable to Black Star Holdings*

	The Group	
	2021	2020
At 1 January	11,282	-
Amount declared during the year	39,252	33,100
Amount paid	(50,534)	(21,818)
<b>At 31 December</b>	<b>-</b>	<b>11,282</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 22. Deferred commission income

#### The Group

	2021	2020
Balance at 1 January	7,572	7,700
Commission income released/(deferred)	4,057	(128)
<b>Balance at 31 December</b>	<b>11,629</b>	<b>7,572</b>

### 23. Deferred income tax

	The Company		The Group	
	2021	2020	2021	2020
At 1 January	-	(733)	(7,245)	(11,207)
Credited to profit or loss	-	733	(2,531)	3,962
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>(9,776)</b>	<b>(7,245)</b>

Deferred income taxes are calculated on temporary differences using the liability method and using a principal tax rate of 25% (2020: 25%). Movement on deferred tax is shown below.

#### The Group

Year ended 31 December 2021	At 1 January	Charged/ (credit) to profit or Loss	At 31 December
Accelerated depreciation	170	(794)	(624)
Other deductible temporary difference	(7,415)	(1,737)	(9,152)
<b>At 31 December</b>	<b>(7,245)</b>	<b>(2,531)</b>	<b>(9,776)</b>

#### Year ended 31 December 2020

Accelerated depreciation	279	(109)	170
Other deductible temporary difference	(11,486)	4,071	(7,415)
<b>At 31 December</b>	<b>(11,207)</b>	<b>3,962</b>	<b>(7,245)</b>

The above net deferred tax and liabilities are presented in the statement of financial position as follows:

#### The Group

	2021	2020
Deferred tax assets	(13,102)	(9,011)
Deferred tax liabilities	3,326	1,766
	<b>(9,776)</b>	<b>(7,245)</b>

#### Unrecognised deferred tax assets

Deferred tax assets have been recognised in the Group entities to the extent that the are taxable profits against which they will be utilised. Deferred tax assets asset of GH¢ 15.3 million in respect of tax losses and temporary differences on property and equipment have not been recognised for the Company because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 24. Borrowings

The Group	2021	2020
Current	5,805	92
Non-current	20,318	26,820
	<b>26,123</b>	26,912

Movement in borrowings is as follows;

Balance at 1 January	26,912	43,136
Interest expense	1,719	3,392
Interest paid	(1,626)	(3,536)
Principal repayments	(3,052)	(17,630)
Exchange loss	2,170	1,550
<b>Balance at 31 December</b>	<b>26,123</b>	26,912

In September 2021, the Enterprise Properties LTD refinanced its existing US\$15 million loan and obtained a medium-term facility of US\$4.5 million from Standard Chartered Bank Ghana Plc. The loan is repayable in 10 semi-annual repayments commencing six months after the utilisation date under the facility. Interest payments is on the last day of each interest period which is 6 months after first draw down. The interest rate applicable is the aggregate of margin (6% per annum) and LIBOR. The facility is secured on the first ranking real estate mortgage over the buildings, improvements and land interest comprised in Advantage Place. Seventh Avenue Properties LTD and the Company are the first and second guarantors, respectively.

### 25. Inventories

	2021	2020
Trading stocks	903	416
Consumables	44	35
	<b>947</b>	451

Trading stocks relate to caskets and other funeral ornaments. Consumables relate to materials used to prepare units. During 2021, inventories of GH¢ 738,000 (2020: GH¢ 994,000) were recognised as an expense during the period and included in 'operating expenses'.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 26. Related parties

The parent and ultimate parent company of Enterprise Group Plc (EGPLC) is Grace Strategic Ventures Limited and Structured Capital Limited respectively. The parent and ultimate parent are both incorporated in Ghana. The Company's shareholding in the other subsidiaries making up the Group is disclosed in Note 9.

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

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

#### (i) Transactions with related parties

The following transactions were carried out with related parties:

#### The Company

<i>Rental payments</i>	2021	2020
Enterprise Properties LTD	727	962
Seventh Avenue Properties LTD	1,757	2,357
<i>Shared service costs</i>		
Enterprise Insurance LTD	4,318	3,659
Enterprise Life Assurance LTD	7,218	6,814
Enterprise Properties LTD	459	451
Enterprise Trustees LTD	1,700	1,579
Enterprise Funeral Services Ghana LTD	189	307

#### The Company

<i>Payments of expenses on behalf of:</i>	2021	2020
Enterprise Properties LTD	-	15,149
Seventh Avenue Properties LTD	-	2,463
<i>Dividend</i>		
Enterprise Life Assurance LTD	54,000	46,703
Enterprise Trustees LTD	8,800	6,400
Enterprise Insurance LTD	3,707	1,095
<i>Capital injection</i>		
Enterprise Life Assurance Company (Nigeria) Limited	-	122,483
<i>Working capital injection</i>		
Enterprise Life Assurance Company (Nigeria) Limited	-	5,799
<b>The Group</b>		
<i>Management fees</i>		
Databank	4,947	3,320

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 26. Related parties (continued)

#### (i) Transactions with related parties (continued)

Dividend	2021	2020
Enterprise Life Assurance LTD to Black Star Holdings Limited	36,000	31,135
Enterprise Trustees LTD to Black Star Holdings Limited	2,200	1,600
Enterprise Insurance LTD to Black Star Holdings Limited	1,052	365

#### (ii) Year end balances arising from transactions with the related parties

##### Amount due to related parties

	The Company		The Group	
	2021	2020	2021	2020
Black Star Holdings Limited	21,933	21,933	47,420	46,739
Databank Financial Services LTD	-	-	-	986
	21,933	21,933	47,420	47,725

##### Amount due from related parties

Enterprise Properties LTD	131,832	131,279	-	-
Enterprise Life Assurance Company (Nigeria) Limited	-	8,698	-	-
	131,832	139,977	-	-

The amounts due from and due to related parties are due within twelve months. The amount payable bear no interest. The amount due from related parties was not impaired at 31 December 2021 and 31 December 2020. The amount due to and due from related parties are to be received or settled in cash.

### Lease liabilities

The Company	2021	2020
Enterprise Properties LTD	3,631	3,716
Seventh Avenue Properties LTD	10,072	10,278
	13,703	13,994

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

### Off balance sheet transactions

Enterprise Properties LTD obtained a long-term facility of US\$4.5 million in September 2021 from Standard Chartered Bank Limited to support the construction of an office complex ("Advantage Place"). Seventh Avenue Properties LTD and Enterprise Group Plc are the first and second guarantors, respectively.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 26. Related parties (continued)

(ii) Year end balances arising from transactions with the related parties (continued)

Key management personnel	The Company		The Group	
	2021	2020	2021	2020
Salaries and other employment benefits	13,758	12,275	29,284	28,456
Employer's pension fund contribution	1,406	1,253	3,621	3,432
	15,164	13,528	32,905	31,888

The directors are the only key management personnel. The directors' emoluments are disclosed in Note 33.

### 27. National Fiscal Stabilisation levy

	At 1 January	Charge for the year	Payments during the year	At 31 December
<b>The Group</b>				
Year of assessment				
Up to 2020	40	-	-	40
2021	-	7,328	(9,088)	(1,760)
	40	7,328	(9,088)	(1,720)
Year of assessment				
Up to 2019	881	-	-	881
2020	-	8,914	(9,755)	(841)
	881	8,914	(9,755)	40

The above net National Fiscal Stabilisation assets and liabilities is presented in the statement of financial position as follows:

	2021	2020
National Fiscal Stabilisation levy assets	(2,016)	-
National Fiscal Stabilisation levy liabilities	296	40
	(1,720)	40

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

### 28. Income tax

(i) Income tax expense	The Company		The Group	
	2021	2020	2021	2020
Current income tax	-	-	25,421	15,909
Deferred income tax expense (Note 23)	-	733	(2,531)	3,962
	-	733	22,890	19,871

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 28. Income tax (continued)

#### (i) Income tax expense (continued)

The tax on the profit before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to profits as follows:

	The Company		The Group	
	2021	2020	2021	2020
Profit before income tax	33,190	25,826	153,070	175,514
Tax charged at enacted tax rate at 25% (2020:25%)	8,298	6,457	38,268	43,879
Income exempt from tax	(16,256)	(14,476)	(113,387)	(134,885)
Effect of tax rate in foreign jurisdiction	-	-	8	58
Non-deductible expenses	4,986	1,490	88,402	85,575
Derecognition of previously recognised deductible temporary differences	-	733	-	2,551
Tax on dividend	-	-	521	397
Tax losses utilised	-	-	-	(448)
Recognition of previously unrecognised tax losses	-	-	(1,472)	(74)
Derecognition of previously recognised tax losses	-	-	74	1,636
Tax losses for which deferred tax was not recognised	2,972	6,529	10,476	21,182
	-	733	22,890	19,871

#### (ii) Current tax (assets)/liabilities

The Company Year ended 31 December 2021	At 1 January	Charge for the year	Payments during the year	At 31 December
Year of assessment				
Up to 2020	2,667	-	-	2,667
2021	-	-	-	-
	2,667	-	-	2,667

Year ended 31 December 2020

Year of assessment				
Up to 2019	2,746	-	-	2,746
2020	-	-	(79)	(79)
	2,746	-	(79)	2,667

The Group Year ended 31 December 2021	At 1 January	Charge for the year	Payments during the year	Translation difference	At 31 December
Year of assessment					
Up to 2020	3,493	-	-	-	3,493
2021	-	25,421	(23,538)	338	2,221
	3,493	25,421	(23,538)	338	5,714

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 28. Income tax (continued)

(ii) Current tax (assets)/liabilities (continued)

Year ended 31 December 2020

	At 1 January	Charge for the year	Payments during the year	Translation difference	At 31 December
Year of assessment					
Up to 2019	3,942	-	-	-	3,942
2020	-	15,909	(16,336)	(22)	(449)
	3,942	15,909	(16,336)	(22)	3,493

The above net current tax and liabilities are presented in the statement of financial position as follows:

The Group	2021	2020
Current tax assets	(1,382)	(967)
Current tax liabilities	7,096	4,460
	5,714	3,493

### 29. Investment income

	The Company		The Group	
	2021	2020	2021	2020
<i>Fair value through profit or loss:</i>				
- Dividend income	114	28	6,632	4,991
- Net fair value gain/(loss) in equity securities	604	(244)	36,755	(18,748)
<i>Dividend from subsidiaries</i>	66,507	54,197	-	-
Interest on unlisted debt securities	644	104	193,936	136,680
Bank interest	1,294	64	11,849	13,573
	69,163	54,149	249,172	136,496

### 30. Other revenue

The Group	2021	2020
Fee income from pension services	43,995	34,105
Funeral services income	13,977	8,626
Rental income on investment property	8,724	5,293
	66,696	48,024

Fee income from pension services and funeral service income are recognised at a point in time while rental income is recognised over time.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 31. Other income

	The Company		The Group	
	2021	2020	2021	2020
Exchange gains	1,424	-	1,515	1,978
Profit/(loss) on disposal of property and equipment (Note 6)	68	104	(2,125)	915
Sundry income	-	-	14,295	3,782
	1,492	104	13,685	6,675

### 32. Insurance benefits and claims

The Group	2021	2020
<b>Non-life insurance</b>		
Gross claims incurred	135,086	121,380
Reinsurance recoveries	(24,117)	(54,245)
Incurred but not reported provision	9,530	2,049
	120,499	69,184
<b>Life insurance</b>		
Policy surrenders, terminations and withdrawals	140,193	2,881
Funeral	38,969	43,902
Death claims	76,939	131,108
Individual life	256,101	177,891
Group benefits	25,963	18,990
	282,064	196,881
<b>Total insurance benefits and claims</b>	<b>402,563</b>	<b>266,065</b>

### 33. Operating expenses

	The Company		The Group	
	2021	2020	2021	2020
Directors' emoluments	8,762	6,351	11,658	10,582
Auditor's remuneration	125	109	925	826
Depreciation and amortisation	3,700	3,705	16,640	16,027
Staff costs	16,203	16,563	108,598	89,440
Other operating expenses	8,575	11,651	108,588	73,971
Shared service cost charged to subsidiaries	(13,883)	(11,765)	-	-
	23,482	26,614	246,409	190,846
Staff costs include:				
Salaries and other short-term employment benefit	14,166	14,191	97,927	77,000
Employer's pension fund contribution	1,384	1,044	8,509	8,293
Other long term employment benefits	653	1,328	2,163	4,147
	16,203	16,563	108,598	89,440

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 33. Operating expenses (continued)

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

Depreciation of right-of-use assets arising from rental of properties for executive director amounting to GH¢194,515 has been included in directors' emoluments in 2021 and 2020 for the Company.

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

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

	The Company		The Group	
	2021	2020	2021	2020
Staff numbers	28	30	431	424

### 34. Net insurance premium

The Group	2021			2020		
	Gross premium	Reinsurance ceded	Net premium	Gross premium	Reinsurance ceded	Net premium
<b>Non-life insurance:</b>						
Motor	168,418	(7,100)	161,318	132,325	(7,907)	124,418
Fire	74,581	(61,246)	13,335	60,054	(49,936)	10,118
Marine	14,784	(11,924)	2,860	11,563	(9,682)	1,881
General Accident	50,531	(26,301)	24,230	33,462	(14,539)	18,923
Engineering	26,780	(25,135)	1,645	20,527	(19,920)	607
Aviation	76	(13)	63	1,755	(1,723)	32
	<b>335,170</b>	<b>(131,719)</b>	<b>203,451</b>	<b>259,686</b>	<b>(103,707)</b>	<b>155,979</b>
<b>Life insurance:</b>						
Individual life	552,777	(755)	552,022	454,250	(1,879)	452,371
Group life	116,817	(9,736)	107,081	73,596	(12,042)	61,554
	<b>669,594</b>	<b>(10,491)</b>	<b>659,103</b>	<b>527,846</b>	<b>(13,921)</b>	<b>513,925</b>
Customer retention scheme	(2,098)	-	(2,098)	(2,113)	-	(2,113)
	<b>667,496</b>	<b>(10,491)</b>	<b>657,005</b>	<b>525,733</b>	<b>(13,921)</b>	<b>511,812</b>
	<b>1,002,666</b>	<b>(142,210)</b>	<b>860,456</b>	<b>785,419</b>	<b>(117,628)</b>	<b>667,791</b>

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 35. Commission expense

The Group	2021	2020
Commission expense	153,524	126,782
Commission expense deferred	(6,558)	(3,731)
	146,966	123,051

### 36. Commission income

The Group	2021	2020
Commission income	37,008	26,815
Commission income deferred	(4,057)	128
	32,951	26,943

### 37. Reconciliation of profit before tax to cash generated from operation

	The Company		The Group	
	2021	2020	2021	2020
Profit before tax	33,190	25,826	153,070	175,514
Depreciation and amortisation (Note 33)	3,700	3,705	16,640	16,027
Write off of capital work-in-progress (Note 6)	-	-	-	39
Finance costs	2,133	1,813	3,694	4,979
Fair value gains on investment properties	-	-	(790)	(8,885)
Fair value (gains)/losses on investment securities (Note 11)	(604)	243	(36,755)	18,748
Exchange loss on borrowings (Note 24)	-	-	2,170	1,550
Impairment charge	11,850	-	11,850	5,670
(Profit)/loss on sale of property and equipment (Note 6)	(68)	(104)	2,125	(915)
Changes in:				
Changes in life fund	-	-	243,107	108,565
Unearned premium	-	-	33,975	16,405
Outstanding claims	-	-	15,152	10,254
Deferred commission income	-	-	4,057	(128)
Amount due from re-insurers	-	-	9,360	(4,645)
Inventories	-	-	(496)	(35)
Trade and other receivables	(37)	2,410	(43,276)	(62,082)
Prepayments	366	89	(1,596)	(2,863)
Deferred commission expense	-	-	(6,558)	(3,730)
Amount due to related parties	-	-	(305)	5,291
Amount due from related parties	8,145	(23,283)	-	-
Policy holder retention scheme	-	-	(112)	(135)
Trade and other payables	2,629	3,130	55,688	5,858
Amount due to re-insurers	-	-	3,447	1,386
<b>Cash generated from operations</b>	<b>61,304</b>	<b>13,829</b>	<b>464,447</b>	<b>286,868</b>

## Notes (continued)

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 38. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. All operating segments meet the definition of reportable segments under IFRS 8. The Group is organised into seven operating segments. These segments are Non-life insurance business; Life assurance business; Health insurance; Pension administration; Real estate; Funeral services and Investments

Year ended 31 December 2021	Non life insurance	Life assurance	Health Insurance	Pension administration	Real estate	Funeral services	Investments	Eliminations	Total
Net premium earned - external	184,504	609,193	54,095	-	-	-	-	(9,095)	838,697
Interest income - external	31,325	206,091	4,398	5,866	-	-	1,492	-	249,172
Other revenue - external customers	-	2,553	-	43,996	8,459	15,496	-	-	70,504
Other revenue - related parties	-	-	-	-	8,004	-	-	(8,004)	-
Net investment and other income related	-	-	-	-	-	-	66,507	(66,507)	-
Net investment and other income - others	7,729	1,003	1,460	79	12,782	294	2,656	(20,284)	5,719
<b>Net income</b>	<b>223,558</b>	<b>818,840</b>	<b>59,953</b>	<b>49,941</b>	<b>29,245</b>	<b>15,790</b>	<b>70,655</b>	<b>(103,890)</b>	<b>1,164,092</b>
Change in life fund	-	(241,761)	-	-	-	-	-	-	(241,761)
Insurance benefits and claims	(86,688)	(282,064)	(39,713)	-	-	-	-	5,902	(402,563)
Net commission expense	(19,360)	(94,655)	-	-	-	-	-	-	(114,015)
Finance cost	(2,601)	(3,001)	-	(1,100)	(1,719)	(1,171)	(2,133)	8,031	(3,694)
Impairment release/ (charge) on financial assets	-	9,269	-	-	-	-	(11,850)	-	(2,581)
Depreciation and amortization	(4,109)	(9,223)	(457)	(1,894)	(163)	(1,610)	(3,700)	4,516	(16,640)
Operating expenses	(60,557)	(113,370)	(11,769)	(18,115)	(9,375)	(10,577)	(19,782)	13,776	(229,769)
<b>Profit/(loss) before tax</b>	<b>50,243</b>	<b>84,036</b>	<b>8,014</b>	<b>28,832</b>	<b>17,988</b>	<b>2,432</b>	<b>33,190</b>	<b>(71,665)</b>	<b>153,070</b>
National Fiscal Stabilisation Levy	(2,514)	(4,814)	-	-	-	-	-	-	(7,328)
Income tax (expense)/credit	(12,128)	(349)	(2,228)	(7,141)	(1,389)	(8)	-	353	(22,890)
<b>Profit after tax</b>	<b>35,601</b>	<b>78,873</b>	<b>5,786</b>	<b>21,691</b>	<b>16,599</b>	<b>2,424</b>	<b>33,190</b>	<b>(71,312)</b>	<b>122,852</b>
<b>Total assets</b>	<b>368,996</b>	<b>1,369,820</b>	<b>64,069</b>	<b>53,493</b>	<b>298,830</b>	<b>12,967</b>	<b>513,888</b>	<b>(518,746)</b>	<b>2,163,317</b>
<b>Total liabilities</b>	<b>212,116</b>	<b>991,342</b>	<b>28,991</b>	<b>10,951</b>	<b>195,882</b>	<b>19,953</b>	<b>50,335</b>	<b>(180,648)</b>	<b>1,328,922</b>
<b>Acquisition of property and equipment</b>	<b>4,238</b>	<b>13,463</b>	<b>195</b>	<b>1,305</b>	<b>358</b>	<b>1,531</b>	<b>865</b>	<b>862</b>	<b>20,168</b>

## Notes (continued)

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 38. Segment information (continued)

#### The Group

##### Year ended 31 December 2020

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

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 38. Segment information (continued)

#### Geographic Information

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

Country of domicile	2021			2020		
	Ghana	The Gambia	Nigeria	Ghana	The Gambia	Nigeria
External revenues	<b>989,685</b>	<b>11,028</b>	<b>1,953</b>	563,189	8,219	-
Non-current assets	<b>103,774</b>	<b>20,731</b>	<b>18,123</b>	421,524	471	6,852

\*Includes property and equipment, intangible assets and investment property. These amounts are before consolidation adjustments

No single external customer accounts for 10% or more of the Group's revenue.

#### Company segment information

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

### 39. Earnings per share

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

	The Company		The Group	
	2021	2020	2021	2020
Profit attributable to equity holders of the company	<b>33,190</b>	25,093	<b>67,612</b>	81,344
Weighted average number of ordinary shares in issue	<b>170,893</b>	170,893	<b>170,893</b>	170,893
Basic earnings per share	<b>0.194</b>	0.147	<b>0.396</b>	0.476

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are no potential dilutive ordinary shares.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 40. Leases

#### Leases as lessee

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

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

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

#### i. Right-of-use assets

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

	The Company		The Group	
	2021	2020	2021	2020
Balance at 1 January	<b>11,049</b>	12,043	<b>15,437</b>	9,222
Additions	<b>61</b>	515	<b>1,707</b>	9,836
Depreciation charge for the year	<b>(1,487)</b>	(1,509)	<b>(3,661)</b>	(3,592)
Translation difference	-	-	<b>(19)</b>	(29)
<b>Balance at 31 December</b>	<b>9,623</b>	11,049	<b>13,464</b>	15,437

#### ii. Amounts recognised in profit or loss

Interest on lease liabilities	<b>1,199</b>	1,254	<b>1,333</b>	1,224
Exchange loss on lease liabilities	<b>934</b>	559	<b>643</b>	363
Depreciation of right-of-use assets	<b>1,487</b>	1,509	<b>2,190</b>	3,487
Expenses relating to leases of low-value assets	-	12	<b>211</b>	12

#### iii. Amounts recognised in statement of cash flows

Interest on lease liabilities	<b>1,199</b>	1,254	<b>1,333</b>	1,213
Exchange loss on lease liabilities	<b>934</b>	1,216	<b>643</b>	1,696

#### iv. Extension options

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

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of GH¢ 7.2million and GH¢ 2.94million (GH¢6.5 million and GH¢ 3.2 million) for the Group and Company respectively.

## Notes (continued)

(All amounts are in thousands of Ghana cedis unless otherwise stated)

### 40. Leases (continued)

#### Leases as lessee (continued)

Lease liabilities	The Company		The Group	
	2021	2020	2021	2020
Balance at 1 January	13,993	14,135	12,913	7,219
Additions		-	1,707	2,977
Modifications	-	515	(135)	4,049
Remeasurements	61	-	(136)	-
Interest expense	1,199	1,254	1,333	1,224
Interest payment	(1,199)	(1,254)	(1,333)	(1,213)
Lease payments	(1,284)	(1,216)	(1,675)	(1,696)
Foreign currency transactional loss	933	559	643	363
Translation difference	-	-	6	(10)
Balance at 31 December	13,703	13,993	13,323	12,913

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

See Note 3 for maturity analysis of lease liabilities as at 31 December 2021 and 2020.

#### Leases as lessor

##### Operating lease

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

Rental income recognised by the Group during the year ended 31 December 2021 was GH¢ 8.7million (2020: GH¢ 5.3million).

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

### 41. Contingencies

There are certain lawsuits and claims pending against the Group which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to GH¢ 1,063,617 (2020: GH¢ 1,244,447) as at 31 December 2021. In the opinion of the directors, the Group's liabilities are not likely to be material.

There are no pending litigations against the Company as at 31 December 2021 and 31 December 2020.

### 42. Capital Commitments

There were no capital commitments for the Group and Company at 31 December 2021 (2020: Nil).

### 43. Off balance sheet transactions

Enterprise Properties LTD obtained a long-term facility of US\$4.5 million in September 2021 from Standard Chartered Bank Limited to support the construction of an office complex ("Advantage Place"). Seventh Avenue Properties LTD and Enterprise Group Plc are the first and second guarantors, respectively.

## Notes *(continued)*

*(All amounts are in thousands of Ghana cedis unless otherwise stated)*

### 44. Business Combination

Under a definitive sale and purchase agreement dated 15th June 2021, the shareholders of Acacia Health Insurance Limited sold all 18,343,621 issued ordinary shares to Enterprise Group Plc for cash consideration of GH¢ 42 million.

The fair value of assets and liabilities assumed as a result of the acquisition are as follows:

<b>Assets</b>	
Cash and balances with banks	14,179
Investment securities	23,515
Investment property	11,310
Property and equipment	4,856
Deferred tax assets	169
Insurance receivables	7,711
Other assets	6,522
<b>Total assets</b>	<b>68,262</b>
<b>Liabilities</b>	
Insurance payables	8,745
IBNR provision	654
Unearned premiums	26,066
Current tax payable	1,174
Other liabilities	1,473
<b>Total liabilities</b>	<b>38,112</b>
<b>Net identifiable assets acquired</b>	<b>30,150</b>
Goodwill	11,850
<b>Net assets acquired</b>	<b>42,000</b>

The goodwill was fully impaired at acquisition.

### 45. Dividend per share

#### **Dividend proposed**

The directors recommend the payment of dividend of GH¢ 0.0744 per share for amounting to GH¢ 12.7 million (GH¢ 0.062 per share for amounting to GH¢ 10.6 million).

### 46. Subsequent events

The directors are of the opinion that there are no post balance sheet events which could have had material effect on the statement of financial position of the Group at 31 December 2021 and on the profit for the year ended on that date which have not been adequately provided for or disclosed.

## Shareholders' Information

### (i) Directors' shareholding at 31 December 2021

Name	Number of shares
GADZEKPO, KELI	67,500
ESON-BENJAMIN MARTIN	4,110
TYSON, MICHAEL	500

Category	Number of shareholdings	Total holding	% Holding
1 - 1,000	1,728	431,479	0.36
1,001 - 5,000	1,000	2,576,764	1.52
5,001 - 10,000	350	2,475,026	1.47
10,001 and Over	517	165,409,556	96.65
	3,595	170,892,825	100

### (iii) List of top twenty (20) shareholders as at 31 December 2021

SHAREHOLDER	NO. OF SHARES	% HOLDINGS
GRACE STRATEGIC VENTURES LIMITED	75,395,586	44.12
STD NOMS/TRUST ACCNT/CS SEC(US) LLC/AFR OPT FD L.P	16,978,891	9.94
CLEARTIDE ASSET HOLDINGS LTD,	13,300,878	7.78
SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	8,292,318	4.85
VENTURES AND ACQUISITIONS LIMITED	7,820,700	4.58
SCGN/'EPACK INVESTMENT	4,001,055	2.34
MAXWELL, JANET SNOWDEN	2,967,500	1.74
ZBGC/CEDAR PROVIDENT FUND-ICAM,	2,278,871	1.33
SCGN / NORTHERN TRUST CO. AVFC 6314B	2,075,032	1.21
ZBGC/CEDAR PENSION SCHEME-ICAM,	2,014,400	1.18
STD NOMS/TRUST ACCNT/CS SEC(US) LLC/AFR OPT CAY	1,495,645	0.88
ZBGC/AXIS PENSION PLAN,	1,183,419	0.69
OTENG-GYASI, ANTHONY	1,000,500	0.59
SCGN/DATABANK BALANCED FUND LIMITED	916,005	0.54
BADER, LARS ERNEST L.B.E	799,532	0.47
METLIFE CLASSIC A/C, STD NOMS TVL PTY/METLIFE GOLD PLAN FUND		
MICAC	657,115	0.38
ESTATE OF DR. P. K ANIM-ADDO,	625,000	0.37
EGH/ECG PENSION SCHEME TIER 3 PORT 1	624,632	0.37
DODOO, FRANCIS F.D	593,845	0.35
GES OCC PENSION - DATABANK FINANCIAL SERVICES	514,286	0.30
OTHERS	27,357,615	16.01
GRAND TOTAL	<b>170,892,825</b>	<b>100</b>

## Certificate of Solvency in Respect of Life Business

I, G. T. Waugh certify that the liabilities in respect of life policies of Enterprise Life Assurance LTD for the financial year ended 31 December 2021 do not exceed the amount of the life assurance fund as shown in the balance sheet.

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

### Embedded Value Analysis

Embedded Value (EV)

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

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

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

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

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

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

### Embedded Value Results

The embedded value has decreased by GH¢43.9 million over the past year to date, as shown in the table below:

	2021	2020
	GH¢'000	GH¢'000
Net Asset Value	284,700	281,890
Value of in-force business	479,300	527,320
Cost of Capital	(32,724)	(33,997)
<b>Embedded Value</b>	<b>731,276</b>	<b>775,213</b>

## Certificate of Solvency in Respect of Life Business Embedded Value Analysis *(continued)*

### Embedded Value Earnings

The embedded value earnings are shown in the table below:

	2021	2020
	<b>GH¢'000</b>	GH¢'000
Change in EV (excluding dividends)	<b>(43,963)</b>	96,931
Dividends paid	<b>90,000</b>	75,000
Restatement of prior year NAV	<b>(15,527)</b>	17,437
<b>Embedded Value Earnings</b>	<b>30,510</b>	189,368

### 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	COC	NAV	EV
	<b>GH¢'000</b>	<b>GH¢'000</b>	<b>GH¢'000</b>	<b>GH¢'000</b>
Roll forward to year end	<b>101,052</b>	<b>(7,284)</b>	<b>36,867</b>	<b>130,635</b>
Transfers to net worth	<b>(128,254)</b>	-	<b>128,254</b>	-
VNB	<b>77,043</b>	<b>(5,077)</b>	<b>(1,840)</b>	<b>70,126</b>
Experience profits	<b>13,009</b>	<b>(7,022)</b>	<b>(29,588)</b>	<b>(23,600)</b>
Actuarial basis changes	<b>(120,883)</b>	<b>20,656</b>	<b>(46,397)</b>	<b>(146,623)</b>
	<b>(58,033)</b>	<b>1,273</b>	<b>87,296</b>	<b>30,538</b>

### Key Assumptions

The assumptions are set based on estimates of future experience. These are derived from analyses of past experience for mortality, persistency and expenses. Allowance is made for future investment return at 15.0% p.a. (2020: 15.0% p.a.) and inflation at 10% p.a. (2020: 10% p.a.). The risk discount rate is 20% p.a. (2020: 20% p.a.).



**G T Waugh MA FASSA**  
**Statutory Actuary**  
**25 March 2022**



# Enterprise Group Plc

## PROXY FORM

I/WE.....  
.....\*being a member/ members of  
Enterprise Group PLC hereby appoint .....  
.....\* or failing him/her the Chairman of the Meeting as  
my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held on June 28, 2022 and  
at any adjournment thereof.

\*(Block Capitals Please)

The Annual General Meeting hereby resolves the following:

RESOLUTION – ORDINARY BUSINESS	FOR	AGAINST
1. To receive Financial Statements of the Company together with the Reports of the Directors and the Auditors thereon for the year ended December 31, 2021		
2. To declare a final dividend		
3. To re-elect retiring Directors: a. Michael Tyson b. Fiifi Kwakye		
4. To authorize the Directors to fix the remuneration of the Auditors		
5. To approve Directors' remuneration		

Dated this.....day of .....2022

Signature: .....



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**IMPORTANT:** Before sending the attached form, please tear off this part and retain it - see over. A member who is unable to attend the Meeting is allowed to vote by proxy through online participation. The attached form has been prepared to enable you to exercise your right to appoint a proxy. If you wish, you may insert in the blank space on the form the name of any person (whether a Member of the Company or not) who will attend the Meeting and vote on your behalf by online participation. However to ensure that someone will be present at the Meeting to act as your proxy by online participation, the Chairman of the Meeting has been inserted as your proxy if the named person is unable to attend the Meeting by online participation. Please complete, sign and send the proxy form so that it reaches the address indicated not later than 48 hours before the commencement time of the Meeting.

*First Fold Here*



**The Registrar  
NTHC LTD  
Gamel Abdul Nasser Avenue  
P. O. Box KIA 9563  
Airport  
Accra, Ghana**

*Third Fold Here*



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# ENTERPRISE GROUP PLC.

## ANNUAL GENERAL MEETING

### SHAREHOLDERS UPDATE CARD

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

Current Address: .....

Name of Bank: .....

Account No: 

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Account Holder's Name: .....

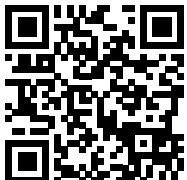
Tel: ..... Email: ..... Date: .....

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

*Kindly complete and return this section to:  
THE REGISTRAR NTHC LTD, Gamel Abdul Nasser Avenue, P. O. Box KIA 9563, Airport,  
Accra, Ghana.*







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