ANNUAL REPORT 2011

Star Assurance
...your solid partner

Star Assurance

2011 ANNUAL REPORT & FINANCIAL STATEMENTS

CONTENT

Corporate Information	03-08
Chairman's Message	10-12
Managing Director's Message	13-17
Directors' Report	18
Financial Highlights (Summary)	19
Executive Management	20
Auditors' Report	21
Statement of Financial Position	22
Statement of Comprehensive Income	23
Revenue Account	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to the Financial Statements	27-32

The fruit of our **new Identity**

Star Assurance

...your solid partner

CORPORATE PROFILE

Star Assurance Company Limited
("Star Assurance") is a privately owned Insurance Company incorporated in August 1984 to carry out corporate and retail insurance businesses in Ghana. It commenced business in April 1985.

Star which started business as a composite company had to hive off its life insurance operation by setting up a subsidiary company, StarLife Assurance, in compliance with the Insurance Law 2006, Act 724. Star Assurance consequently underwrites only general business products including Motor, Fire, Marine, Aviation, Accident, TravelInsurance etc.

Within Twenty-Seven (27) years of its operations, Star Assurance has emerged as the biggest indigenous private insurance enterprise in terms of assets and indeed among the first three insurance companies in Ghana in terms of premium income.

The Company has fifteen (15) branch offices in seven (7) out of the ten (10) regional capitals with the remaining three (3) serviced by our Agency offices. We therefore have representation in all the regions of Ghana.

The company is rated in the A category by Global Credit Rating of South Africa. Star Assurance is also a member of "Ghana Club 100"–a group of the top 100 blue chip companies in Ghana

"we believe in developing lifelong relationships with our customers"

CORPORATE PROFILE

VISION

The company was founded on a vision 'Partnering with you to be the definition of insurance and the creator of delightful experiences'.

MISSION

To optimize resources in order to give clients increased satisfaction, employees optimized human potential and shareholders maximum value.

The company intends to achieve this through:

- Making customer satisfaction our topmost priority.
- Providing a congenial work environment for our staff.
- Investing in the development of our staff and thereby boosting productivity.
- Motivating staff and commission sales representatives to strive for higher performance by providing the appropriate incentives.
- Providing innovative products to meet the changing needs and wants of the insuring public.
- Improving the company's productivity through computerization of its key business processes.

CORPORATE PROFILE

OUR RANGE OF PRODUCTS

Star Assurance offers a wide range of innovative general insurance products. These include:

- Marine (Cargo and Hull)
- Travel
- Office Comprehensive
- Workmen's Compensation
- Personal Accident
- Bankers Indemnity
- Motor Insurance
- Erection All Risk
- Fire and Allied Perils
- Homeowners' Comprehensive
- Electronic Equipment Insurance
- Burglary (Theft)
- Contractors All Risk
- Fidelity Guarantee
- Money Insurance
- Plant All Risk
- Public Liability
- Contract & Customs Bonds
  - Bid Bond
  - Advance Mobilization
  - Performance Bond
  - CustomWarehousing Bond

OUR HALLMARKS

1. Star Assurance is the 2010 CIMG Insurance Company of the Year (General Insurance Category)

2. Star Assurance is 15th on the Ghana Club 100 list of blue chip companies.

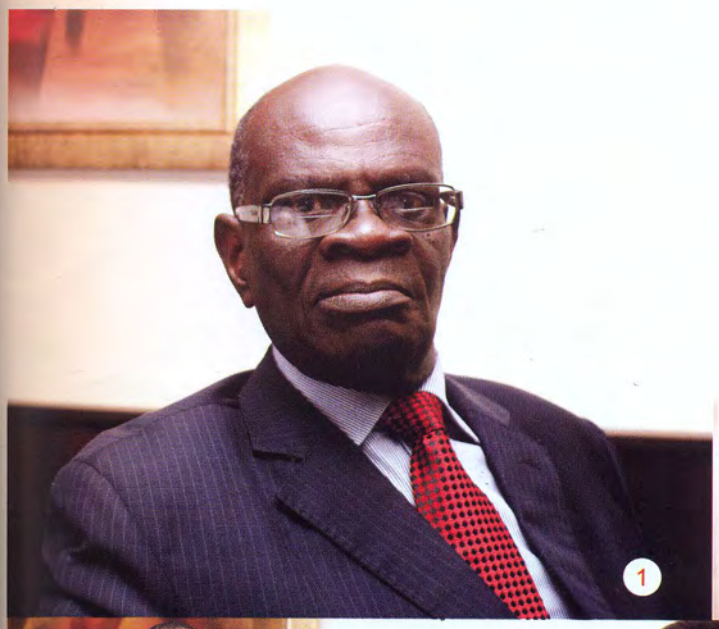
3. The first Insurance Company in Ghana to enable Travel & Tour Operators sell travel insurance from their offices (made possible through our innovative product Star Xpress Travel)

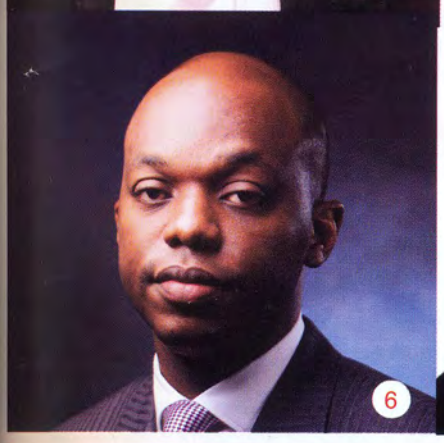
4. The first Insurance Company to come up with Default Insurance Program (DIP) with product approval obtained from the NIC. This is an insurance product meant to replace Bank Guarantees used by Travel & Tour Operators to do business with AITA.

DIRECTORS

The Directors who held office during the year were as follows:

Mr. Alexander G. Buabeng	Chairman
Mr. Kofi Duffuor	Managing Director
Mr. Samuel Kwaku Ocran	Dep. Managing Director
Ms. Boatemaa Panin Duffuor	Executive Director
Mr. A. K. Basoah	Member
Dr. Kwabena Duffuor (Jnr)	Member
Mr. Solomon Adiyiah	Member
Mr. Ben Korley	Member (Resigned on 30/0
Mrs Juliana Asante	Member (Appointed on 15/
Secretary:	Mr. Bernard Ahiafor
Registered Office:	No. C551/4 Cola Street (Adjacent ATTC) Kokomlem P. O. Box 7532, Accra - North
Solicitors:	Law Associates Inc. Tornado Chambers, P. O. Box 01185, Christianborg, Accra.
Auditors:	PKF (Accountants & Business A P. O. Box GP 1219, Accra.
Main Bankers:	Barclays Bank of Ghana Li National Investment Bank NatWest Bank - England uniBank Ghana Limited





THE BOARD

1. Mr. Alexander G. Buabeng - Chairman | 2. Mr. Kofi Duffuor - Managing Director
3. Mr. Samuel Kwaku Ocran - Deputy MD | 4. Ms. Boatemaa Panin Duffuor -Executive Director
5. Mr. A. K. Basoah - Member | 6. Dr. Kwabena Duffuor (Jnr) - Member
7. Mr. Solomon Adiyiah - Member | 8. Mrs Juliana Asante - Member

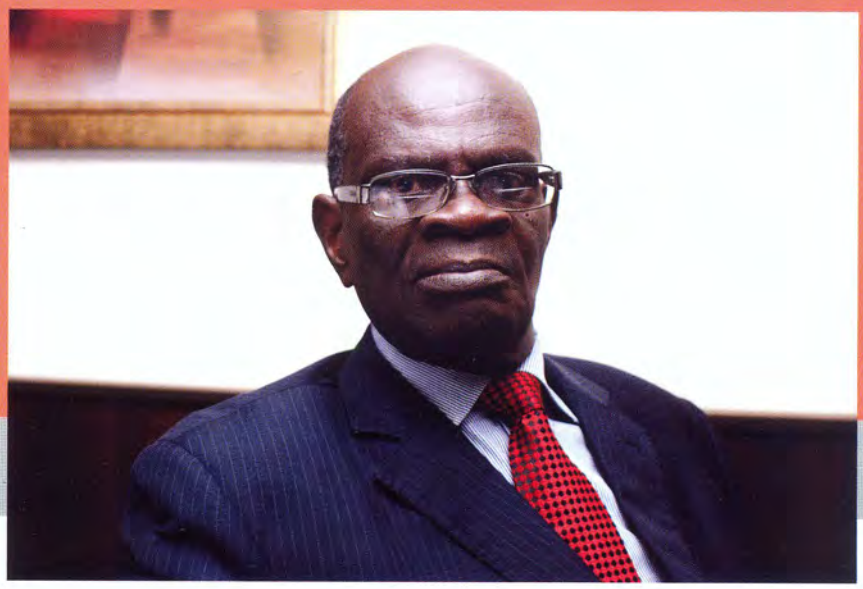
our promise to create delightful
experiences is our resolve to
exceed expectations

The new Star Assurance brand ma
an important milestone after 27 years
dedicated service in the insurance indus

Our vision is to partner you to be the definit
of insurance and the creator of delightful experienc
We are guided by our core values which are; Professionali
Innovation, Teamwork, Ownership and Winning Sp

Come and enjoy a delightful experienc

Star Assuranc
...your solid partn



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am very grateful to inform you that the year 2011 was another successful one for our operations. The year under review saw another progressive growth in our gross premium and assets.

Our promise to create delightful experiences for our policyholder was kept very seriously thus exceeding several expectations. We were guided by our core values of:

- Professionalism
- Innovation
- Teamwork
- Ownership and a
- Winning Spirit

Corporate Governance

Mr. Ben Korley resigned from the Board and Mrs. Juliana Asante was appointed to replace him. Mrs. Juliana Asante is a Fellow of The Association of Chartered Certified Accountants (FCCA) and a member of the Institute of Chartered Accountants, Ghana (ICA). She currently works with Integritas Chartered Accountants and Consultants as a Principal Consultant and Managing Partner. I welcome her to the Board of the Company.

Economic Review

The economy continued to show great positive prospects for development as a result of continued stable macroeconomic environment from the past few years.

According to the Ghana Statistical Service during the course of the year 2011, the rate of inflation dropped marginally from 8.58% in 2010 to 8.55% as at November 2011.

The bank of Ghana prime rate was reduced during 2011 from 13.5% to 12.5%, which in turn resulted against the Euro (EUR). Utility tariffs went up in the year under review. From September 1, 2011electricity and water were increased by 7% and 6.5% respectively. Early 2011, Petrol and Diesel prices shot up by 30%.

New environmental tax of 20% on plastic packaging materials and products came into effect from March 1, 2011. A by-law of the Accra Metropolitan Assembly (AMA) which banned street vending in the city was enforced with effect from April 1, 2011.

Financial Performance

The 2011 financial performance affirms its support to the Company's Strategic Plan over the past few years to make our customers and key strategic partners (Brokers and Agents) the focus of attention by offering quality customer service strategies that

CHAIRMAN'S MESSAGE

FINANCIAL HIGHLIGHTS	2011 GHC	2010 GHC	Variance GHC	Variance %
Gross Premium	35,836,316	28,168,710	7,667,606	27.22
Net premium Earned	20,325,719	17,039,283	3,286,436	19.29
Underwriting Profit	1,656,739	3,275,940	(1,619,202)	(49.43)
Investment Income	1,438,471	1,880,478	(442,007)	(23.51)
Net Profit Before Tax	3,711,250	5,828,000	(2,116,750)	(36.32)
Total Assets	42,981,797	37,294,131	5,687,666	15.25
Total Investments	21,755,186	21,101,624	653,562	3.10
Shareholder's Funds	13,575,604	11,224,812	2,350,792	20.94

are unique and satisfactory. As a result, we have seen the company grow beyond expectation and maintaining its position as the second largest General Business Insurer in terms of gross premium.

The gross premium over the period under review recorded GHS35,836,316 as against GHS28,168,710 produced in 2010 thus marking a growth rate of 27.22%. Net premium earned also increased by 19.29% from GHS17,039,283 in the year 2010 to GHS20,325,719.

Net claims paid shot up significantly from GHS2,716,364 to GHS4,667,052. This was as a result of some flood claims that hit our market of which we were equally affected. Underwriting profit therefore dropped from GHS3,275,940 to GHS886,435. Consequently, profit before tax also dropped from GHS5,828,001 to GHS3,711,250. Profit after tax for the year also dipped by 32% from GHS3,991,816 to GHS2,709,610.

Enterprise Risk Management

Considering the steady growth in the operations of the company, it has become very necessary to identify, evaluate and define our processes (both technical and non-technical) to manage our risks and set up action plans.

Enterprise Risk Management is a solution to our corporate risk governance that also seeks to present the global picture of corporate risk management. Star Assurance has therefore set up an Enterprise Risk Management Unit to identify all potential events that may affect our operations, manage risks that are within our risk appetite and to provide reasonable assurance regarding the achievement of our objectives.
This Unit also complies with the National Insurance Regulator's demand for all Insurers.

Corporate Social Responsibility

Our commitment to our society, especially the needy and vulnerable cannot be compromised. We therefore remain committed to ensuring that we give back to the society through which we have had the opportunity to grow our business to this level.
To mention a few, we donated a water storage tank to the Ghana School for the blind. This was to ease the burden of the blind students from going to search for water when the taps were not running.
We also supported Joy FM's Easter Soup Kitchen festival which was organized to feed thousands of street children and the less privileged in society.

Outlook For 2012

The production target set for 2012 looks very challenging especially in an election year but we as the Board, still remain committed to our strategic goals. Management and staff are also well determined and poised to meet the rising challenges. The

economy continues to grow steadily especially in the area of Road Construction, Infrastructural Development and the Financial Services.

APPRECIATION

Star Assurance has enjoyed quality skill, commitment and great leadership from its executive management team headed by the Managing Director, Mr. Kofi Duffuor. This is evident in our financial performance achieved so far. I say ayekoo and a big 'thank you' to them.

Over the period, we have seen a growth in our professional staff and enterprising managers showing much dedication and hard work in this competitive Insurance Industry. The Board of Directors acknowledges your efforts and does extend a hand of appreciation to you.

To my dear colleagues on the Board, you have always shown great competence and guidance in driving the company to achieve this success. Thank you for your support.

To all our cherished Clients, Brokers, Agents and all business partners we thank you for your continued support.

Finally, we thank God for how far He has brought us as a people and a company.

Thank vou all.

Alexander G. Buabeng
Board Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders, ladies and gentlemen another year has gracefully embraced us again and I am glad to report to you the performance of our operation in 2011.

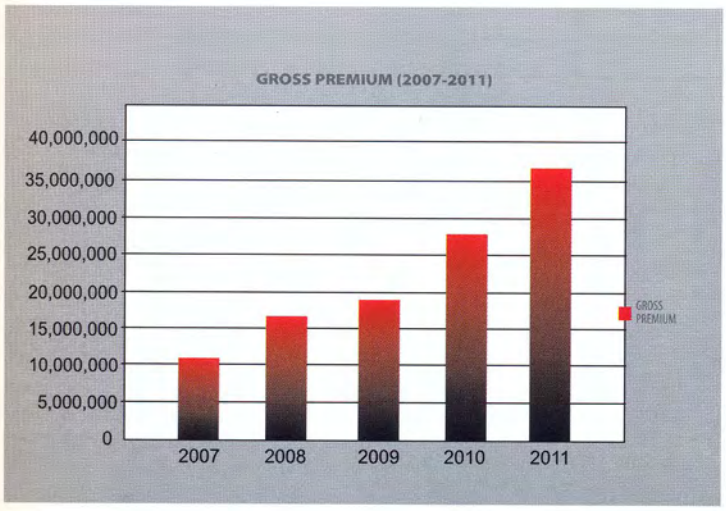
COMPANY PERFORMANCE

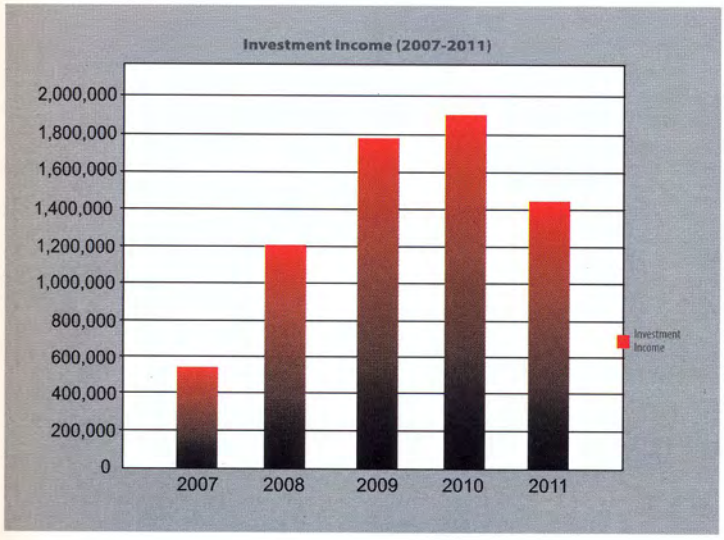
The Company chalked another impressive performance in its operations affirming Star Assurance as one formidable Insurer who has also won the confidence of all its key stakeholders as a reliable business partner. We have increased our market share and will endeavor to consolidate our position as second largest Insurer in the industry.

By this, we hope to maintain our brand equity and the new star that we have built so far by making Star Assurance a household name.

FIVE YEAR FINANCIAL SUMMARY	2011 GHC	2010 GHC	2009 GHC	2008 GHC	2007 GHC
Gross Premium	35,836,316	28,168,710	19,132,991	15,888,616	10,114,789
Net premium Earned	20,325,719	17,039,283	11,717,953	7,970,694	6,167,893
Underwriting Profit	1,656,739	3,275,940	318,066	1,464,951	545,424
Investment Income	1,438,471	1,880,478	1,758,398	1,205,214	532,479
Net Profit Before Tax	3,711,250	5,828,000	2,119,481	2,915,508	1,208,442
Total Assets	42,981,797	37,294,131	28,865,306	23,656,818	17,595,110
Total Investments	21,755,186	21,101,624	14,672,926	12,939,019	10,226,751
Shareholder's Funds	13,575,604	11,224,812	7,599,923	7,070,546	5,122,831

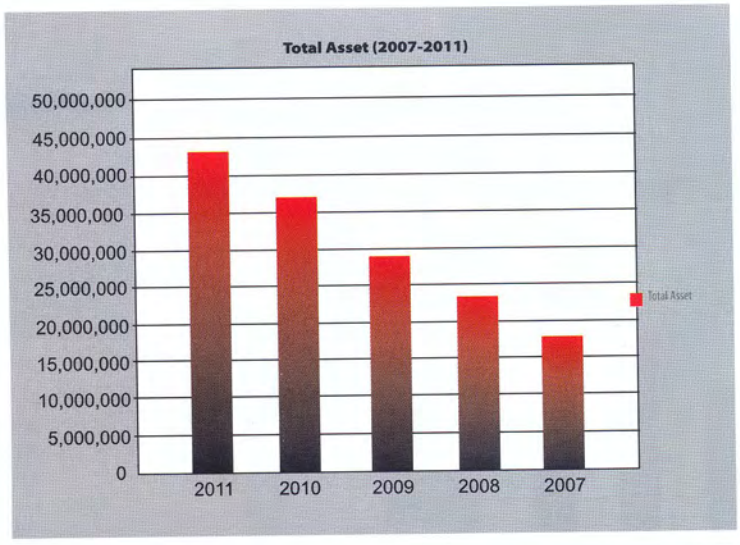
MANAGING DIRECTOR'S MESSAGE

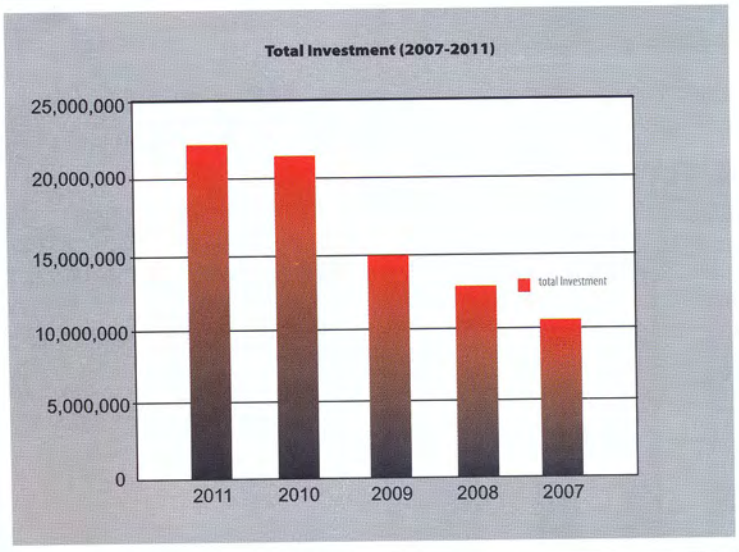




From the historical financial performance presented above, it is without doubt that the strategic plans outlined to enhance performance has yielded great results over the years. Gross premium, once again, hiked by 27.22% from GHS28,168,710 in 2010 to GHS35,836,316.

MANAGING DIRECTOR'S MESSAGE





New Products

Star Assurance in collaboration with Amadeus Ghana Limited (an IT solutions provider) has developed a Star International Express Travel Insurance policy to enable Travel Agents sell International Travel Insurance policies from their agency offices using all Star Assurance logistics. Travel agents are now able to provide a total service to their travelling clients by selling to them an International Travel cover in addition to selling ticketing, reservations etc.

Another product associated with this innovation is the Default Insurance Program (DIP). It is an insurance policy designed to indemnify airlines against financial loss from a possible payment default of an International Air Transport Association (IATA) accredited Travel Agents in Ghana. The program received its approval from in September 2011 and is so far yielding credible results.

Human Capital

The year 2011 saw extensive training and development activities for our human capital. Our main objective for the year was to equip staff with the necessary quality service delivery tools and sales skills to complement our Company's rebranding efforts. This was evident in our nationwide comprehensive customer service workshops and review trainings organized internally for the smooth take off of our newly acquired Agilis software.

Foreign training and seminars as well as Management Development remained two major aspects of our training focus and staff motivation for the year. Quite a number of our middle level managers and our branch supervisors in the course of the year under went training in core competency managerial skills to sharpen their professional skills and to boost their moral. Other training needs aimed at attitudinal reorientation in an effort to help our employees to better understand and appreciate themselves. This we believe is a strong tool for excellent customer service.

We also institutionalized our long service award scheme where majority of our staff were rewarded for their loyalty and dedication. This went a long way to motivate our staff and build a spirit of partnership, involvement and belongingness that is required to maintain our enviable position in the industry.

Our quarterly and yearly awards continue to be very interesting and more exciting to all of us. This has resulted in very healthy internal competition whilst deserving workgroups, branches and hardworking staffs are rewarded.

Information Technology

The focus of 2011 was on the implementation of our new management system, the Agilis software and also to extend our Wide Area network (WAN) to all branches. Six branches were initially rolled out with the new software in April 2011 and by year end, eight (8) more were also automated with the software.

This automation brought the company to a 100% centralization (a total of 14 branches and contact offices) with the core insurance and accounts applications. This new state-of-the –art application software has enabled us improve our customer service delivery and also provide a more efficient claims processing and recoveries.

The uniqueness of this system has brought us the following additional advantages:

- Well structured and flexible underwriting software.
- Shortened turnaround time of serving customers
- A wider range of deployment (To Brokers, Agents, Contact offices, homes, and out of office underwriting for Motor and Travel)
- A Well defined reporting tool for man agement information, statistical analysis and decision making

The Wide Area Network (WAN) was also extended to Sunyani, Koforidua and Spintex branches, thus bringing the total number of branches on the WAN to nine (9) including head office. Tudu, Tamale, Ho, Nkawkaw and Achimota offices are however accessing the application through internet services. This is due to the low level of transactions from these Branches.

The extension of the WAN and the internet services to all branches has immensely improved collaboration and communication among staff and branches.

Outlook For 2012

Business outlook is very promising in spite of the numerous challenges the Insurance industry faces. Our readiness and willingness to adhere to the credit management guidelines issued by the National Insurance Commission is evident in our financials which we strongly believe will eventually improve technical solvency margins and maintain appropriate levels of our liquidity. The challenge of satisfying internationally accepted accounting standards will also threaten the books of many insurance players.

Star Assurance has considered all such challenges and has put in place adequate measures to overcome such obstacles so we can continue to stand out and increase our shareholders value.

APPRECIATION

I wish to thank my executive management team and the entire staff for your strong passion to see the company chalk this great success. You have indeed worked hard and shown a true spirit of ownership in the way you conducted yourselves and carried out every transaction.

I also extend a big hand of appreciation to our dedicated Board Members for their leadership, support and commitment.

Thank you all.

Kofi Duffuor
Managing Director

DIRECTORS' REPORT

In accordance with the requirements of Section 132 of the Companies Code, we the Board of Directors of Star Assurance Company Limited, submit herewith our Annual Report on the state of affairs of the Company for the year ended 31 December, 2011.

	2011 GH¢	2010 GH¢
1. Account		
Gross Premium	35,836,316	28,168,710
Reinsurance Premium	(14,740,468)	(8,764,856)
Profit before Tax	3,711,250	5,828,001
Less Corporate tax provision of	(816,077)	(1,544,785)
And National Fiscal Stabilisation Levy	(185,563)	(291,400)
Leaving Net Profit after Tax of	2,709,610	3,991,816
which is to be added to the Income Surplus Account brought forward from the previous year	4,048,157	2,141,009
Making a total Income Surplus of	6,757,767	6,132,824
From which are deducted		
Contingency Reserve of	(1,075,089)	(845,061)
Dividend of	0	(1,239,607)
Transfer to Stated capital	(3,804,348)	0
Leaving a net balance on the Income Surplus Account which is carried to the Balance Sheet	1,878,330	4,048,157

2. Principal Activity

The principal activity of the Company during the year was in accordance with the Regulations of the Company.This represents no change from the activities carried out for the previous year

3. Auditors

In accordance with Section 134(5) of the Companies Code, 1963 (Act 179), PKF will continue in office as auditors of the company.

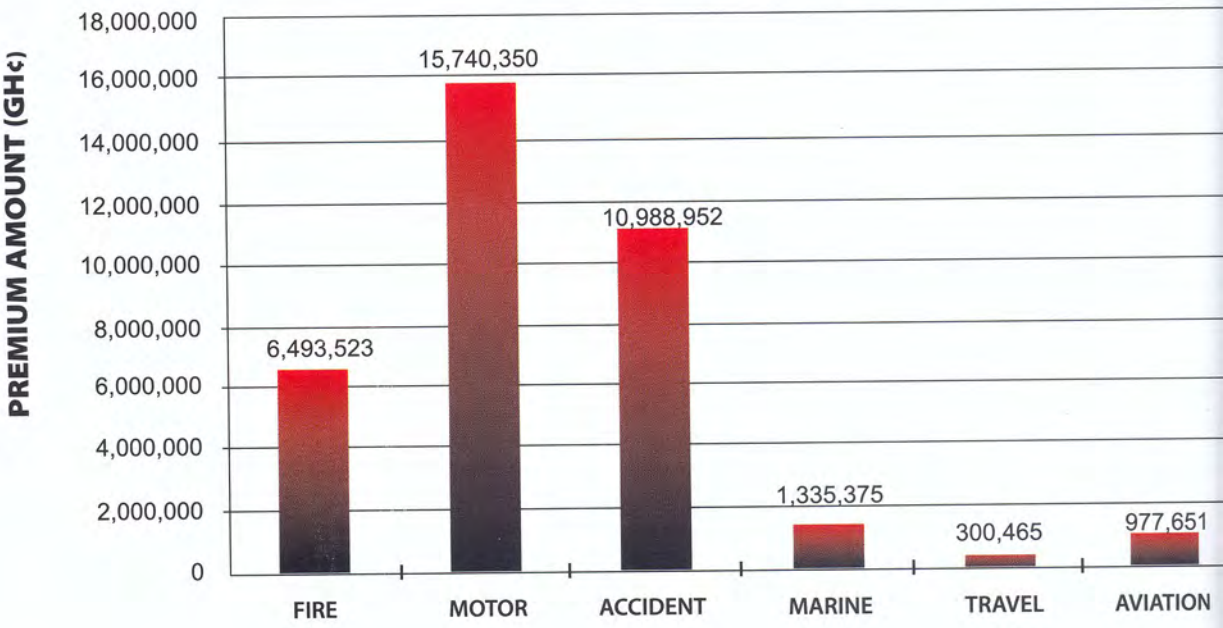
4. Other Matters

The Directors confirm that no matters have arisen since 31 December, 2011 which materially affect the Financial Statements of the Company for the year ended on that date.

FINANCIAL HIGHLIGHTS (SUMMARY)

POLICY TYPE	FIRE GH¢	MOTOR GH¢	ACCIDENT GH¢	MARINE GH¢	TRAVEL GH¢	AVIATION GH¢	TOT GI
Gross Premium	6,493,523	15,740,350	10,988,952	1,335,375	300,465	977,651	35,836,3
Net Premium Income	1,230,136	13,139,758	5,600,478	26,299	301,622	27,426	20,325,7
Management Expenses	2,006,572	4,863,946	3,395,710	412,646	92,847	302,105	11,073,8
Underwriting Profit/(Loss)	(1,547,254)	1,340,697	2,225,876	(253,989)	177,869	(286,459)	1,656,7

GROSS PREMIUM CHART



EXECUTIVE MANAGEMENT

Mr. Kofi Duffuor
(Managing Director)

He had his insurance training in the United Kingdom and has been in the insurance industry for over twenty years. He is well oriented in marketing. He holds a Master of Business Administration degree in Entrepreneurial Management from the University of Ghana. He is a Chartered Insurer and a Fellow of the Insurance Institute (FCII) - UK. He is also a Fellow of the Insurance Institute of Ghana (FIIG). He is a member of the Executive Council of Ghana Insurers Association. He has attended several conferences and seminars at home and abroad in insurance management and financial management. Prior to his appointment as Managing Director in 2001, he was the General Manager in charge of Finance and Administration. He is currently the Board Chairman of WAICA Reinsurance Corporation PLC, headquartered in Freetown, Sierra Leone.

Mr. Samuel Ocran
(Deputy Managing Director)

He graduated from the School of Administration, University of Ghana with a BSc. Admin. (Insurance Option). He also holds a Master of BusinessAdministration (Marketing Option) degree from the same University. He is a Chartered Insurer and a Fellow of the Chartered Insurance Institute (UK). He is a member of the Chartered Institute of Marketing (UK). Prior to joining Star Assurance Company Limited, he was with the prestigious African Reinsurance Corporation in Lagos, Nigeria. Mr. Ocran is also an adjunct lecturer in insurance at the University of Ghana Business School.

Miss Boatemaa Duffuor
(Executive Director)

She graduated from the University of Leicester, U.K. with a BA (Hons) in History and Politics. She also holds an Msc in Management and an Msc in Accounting and Finance from the University of Southampton. Miss Duffuor is a Chartered Insurer and an Associate member of the Chartered Insurance Institute, U.K. Miss Duffuor was employed as a Legal and Administrative Assistant in September 2001 and has risen through the ranks through her continuous dedication and commitment to excellent professional standards. In 2009 she was made the Executive Director.

Mr. Emmanuel Baiden
(General Manager - F&A)

He had his accountancy training from the Institute of Professional Studies, Legon. He is a Chartered Accountant and a member of the Institute of Chartered Accountants (Ghana). He also holds a Master's degree in Finance from the University of Ghana.He has several years of working experience. Before joining Star Assurance Company Limited, he had worked for Ghana Postal Services Company Limited, Ghana Commercial Bank and Akuaba Toys & Furniture Company . He has attended several seminars and conferences both in Ghana and Abroad on Finance and Insurance.

INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2011

PKF
Accountants &
business advisers

Report on the Financial Statements

We have audited the accompanying financial statements of Star Assurance Company Limited which comprise the Statement of Financial Position as of December 31, 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and in the manner required by the Companies Code, 1963 (Act 179) and the Insurance Act, 2006 (Act 724). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements five a true and fair view of the financial position of Star Assurance Company Limited as of December 31, 2011, and of its financial performance and its cash flows for the year then ended and are in accordance with Ghana Accounting Standards and comply with the Companies Code, 1963 (Act 179) and the Insurance Act, 2006 (Act 724).

Report on Other Legal and Regulatory Requirements

The Companies Code, 1963, (Act 179) requires that in carrying our audit we consider and report to you 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 purpose of our audit.

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

iii) The Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of accounts.

PKF

CHARTERED ACCOUNTANTS
FARRAR AVENUE, ACCRA
30TH APRIL 2012

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	2011 GH¢	2010 GH¢
CAPITAL & SURPLUS			
Stated Capital	2	6,235,000	2,735,000
Capital Surplus	3	1,296,734	1,351,204
Contingency Reserve	4	4,165,540	3,090,451
Income Surplus	5	1,878,330	4,048,157
		13,575,604	11,224,812
REPRESENTED BY			
NON-CURRENT ASSETS			
Property, Plant & Equipment	6	1,501,573	744,320
Investment Properties	7	6,405,058	7,884,838
Long Term Investments	8	3,941,307	3,956,777
Deferred Expenditure		76,959	0
		11,924,897	12,585,935
CURRENT ASSETS			
Outstanding Premiums	9	11,891,204	10,572,806
Amount due from Reinsurers		4,680,686	1,944,398
Debtors and Prepayments	10	2,135,906	2,107,685
Short Term Investments	11	11,408,821	9,260,009
Cash and Bank Balances	12	940,283	823,298
		31,056,900	24,708,196
CURRENT LIABILITIES			
Claims Liability	13	2,886,446	3,902,895
Amount due to Re-insurers		6,820,731	5,401,412
Creditors and Accruals	14	5,001,851	3,305,933
Provision for Unearned Premiums	15	9,507,570	8,737,441
Borrowing due within one year	18	3,128,919	1,096,130
Taxation	16	1,535,227	1,912,536
National Fiscal Stabilisation Levy	17	304,905	310,194
		29,185,649	24,666,541
NET CURRENT ASSETS		1,871,251	41,655
NON-CURRENT LIABILITIES			
Borrowing due after one year	18	220,544	1,402,778
NET ASSETS		13,575,604	11,224,812

Approved by the board on 30th April 2012

Director

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 GH¢	2010 GH¢
Underwriting Income		1,656,738	3,275,941
Investment Income	19	1,438,471	1,880,478
Other Income	20	627,292	697,696
Exchange Loss		(11,251)	(26,114)
Profit before Taxation		3,711,250	5,828,001
Taxation	16	(816,077)	(1,544,785)
Profit after Taxation		2,895,173	4,283,216
National Fiscal Stabilisation Levy	17	(185,563)	(291,400)
Profit for the year		2,709,610	3,991,816
Other Comprehensive Income			
Revaluation of Equity Investment	3	(54,470)	133,832
Revaluation of Investment Properties	3	0	738,848
Total other Comprehensive Income		(54,470)	872,680
Total Comprehensive Income		2,655,141	4,864,496

REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 GH¢	2010 GH¢
Gross Premium		35,836,316	28,168,710
Reinsurance Premium		(14,740,468)	(8,764,856)
Net Premium		21,095,848	19,403,854
Provision for Unearned Premium	*15*	(770,129)	(2,364,571)
Net Premium Earned		20,325,719	17,039,283
Underwriting Expenses			
Net Claims	*21*	4,667,052	2,716,364
Net Commission	*22*	2,928,103	2,339,621
Management Expenses	*23*	11,073,826	8,707,357
Total Underwriting Expenses		18,668,981	13,763,342
Underwriting Income Transferred to Statement of Comprehensive Income		1,656,738	3,275,941

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Stated Capital GH¢	Capital Surplus GH¢	Contingency Reserve GH¢	Income Surplus GH¢	Total GH¢
Balance at 1 January 2011	2,735,000	1,351,204	3,090,451	4,048,157	11,224,812
Changes in Equity for 2011					
Transfer	0	0	1,075,089	(1,075,089)	0
Transfer to Stated Capital	3,500,000	0	0	(3,804,348)	(304,348)
Total comprehensive income for the year	0	(54,470)	0	2,709,610	2,655,140
Balance at 31 December 2011	6,235,000	1,296,734	4,165,540	1,878,330	13,575,604
Balance at 1 January 2010	2,735,000	478,524	2,245,390	2,141,009	7,599,923
Changes in Equity for 2010					
Transfer	0	0	845,061	(845,061)	0
Dividend Paid	0	0	0	(1,239,607)	(1,239,607)
Total comprehensive income for the year	0	872,680	0	3,991,816	4,864,496
Balance at 31 December 2010	2,735,000	1,351,204	3,090,451	4,048,157	11,224,812

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 GH¢	2010 GH¢
Reconciliation of Operating Income to Cash Flow from Operating Activities			
Operating Income		3,711,250	5,828,000
Depreciation Charges		320,984	138,950
Amortisation of Deferred Expenditure		38,480	0
Profit on Disposal		(616,713)	(673,256)
Investment Income		(1,438,471)	(1,880,478)
Operating Profit before working capital changes		2,015,530	3,413,216
Increase in Outstanding Premium		(1,318,398)	(4,262,626)
(Increase)/Decrease in Amount due from Re-insurers		(2,736,288)	2,694,743
Increase in Debtors and Prepayments		(28,221)	(456,369)
Increase in Provision for Unearned Premium		770,129	2,364,571
(Decrease)/Increase in Provision for Claims		(1,016,449)	43,560
Increase in Creditors and Accruals		1,391,570	1,237,846
Increase/(Decrease) in Amount due to Re-insurers		1,419,319	(2,815,619)
Cash Inflow from Operating Activities		497,192	2,219,322
Return on Investment and Servicing of Finance			
Investment Income		1,438,471	1,880,478
Taxation			
Corporate Tax Paid		(1,193,386)	(361,516)
National Fiscal Stabilisation Levy Paid		(190,852)	0
Net Cash Inflow from Operating Activities		551,425	3,738,284
Investing Activities			
Acquisition of Fixed Assets		(1,078,238)	(518,187)
Sale of Fixed Assets		0	1,400,000
Proceeds from sale Investment Property		2,143,275	0
Acquisition of Long Term Investments		(39,000)	(42,203)
Acquisition of Investment Property		(46,781)	(4,447,595)
Deferred Expenditure		(115,439)	0
Net cash flow from investing activities		863,817	(3,607,985)
Financing Activities			
Borrowing due within one year			
Borrowing due after one year		2,032,789	1,096,130
Dividend Paid		(1,182,234)	1,402,778
		0	(1,239,607)
Net cash flow from financing activities		850,555	1,259,301
Increase in Cash and Cash Equivalent		2,265,797	1,389,600
Cash and Cash Equivalent 1 January		10,083,306	8,693,706
Cash and Cash Equivalent 31 December	26	12,349,103	10,083,306

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES
The following Accounting Policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a. Basis of Accounting
The financial statements have been prepared under the Historical Cost Convention as modified by the revaluation of certain Fixed Assets.

b. Depreciation
This has been provided on a straight line method at rates calculated to write off the gross value of each asset over its estimated useful life.

The rates are as follows:-

Motor Vehicles	25%
Furniture & Equipments	20%
Library Books	20%
Computer Hardware	25%
Computer Software	10%
Freehold Building	5%

c. Stocks
Stocks mainly comprise of stationery and other consumable. These are written off in full in the period of purchase.

d. Investments

Long Term Investments
The valuation of listed securities is based on market value whilst that of unlistedsecurities is based on realistic estimate of net worth.

Short Term Investments
Short term Investments are shown at face value.

e. Foreign Currencies
Transactions denominated in foreign currencies are translated into cedis at rates of exchange ruling at the transaction date. Assets in foreign currencies are translated into cedis at the rate of exchange at the balance sheet date. All differences arising from changes in exchange rates are dealt with through the Revenue Accounts.

f. Dividend
Dividend proposed is not appropriated from Income Surplus but disclosed by way of note in the financial statements in the year of proposal. Dividend declared is approppriated from Income Surplus in the year of declaration.

g. Deferred Expenditure
Capital expenditure on rented apartments and office premises are capitalised, and amortised over three (3) years.

h. Underwriting Results
The underwriting results for general business are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

i. Gross Premium which comprise of direct businesses written and re-insurance businesses ceded in during the financial year is stated after deducting refunds and cancellations.

ii. Unearned Premium represent the portion of the premiums written in periods up to the accounting date which relate to the unexpired terms of policies in force at the financial position date. These are calculated on not less than 75% of the total net premiums in respect of marine business and 45% of other businesses.

iii. Claims Incurred are expenses for the year which comprise provision for claims reported during the year pending settlement (outstanding claims); Claims reported and settled during the year but not paid; claims reported, settled and paid during the year; and incurred but not reported (IBNR) claims.

Claims Liability comprises all outstanding claims at the reporting date; claims settled in prior and current years pending payment; and IBNR claims:

Outstanding Claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the reporting date, but not settled at that date.

Outstanding Claims are computed on the basis of the best information available at the time the records for the year are closed.

The IBNR claims are computed at 20% of outstanding claims at the end of the last preceding year.

Claims paid represent all payments made during the year, whether arising from events during that year or earlier years.

iv. Expenses and Commission are allocated to the relevant revenue accounts as incurred in the management of each class of business. Commission is shown net of commission received in respect of reinsurance business ceded.

i. Receivables

Receivables are carried at anticipated realisable value. A provision is made for bad and doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off in the year in which they are identified.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 No. of Shares ('million)	2010 No. of Shares ('million)
2. STATED CAPITAL		
a. Authorised Ordinary Shares of no par value.	100,000	100,000
b. Issued Ordinary Shares of no par value fully paid for	1,895	1,895
	Proceeds GH¢	**Proceeds GH¢**
Issue for Cash	1,982,626	1,982,626
Issue Other than Cash Consideration	92	92
Transfer from Income Surplus	4,252,282	752,282
	6,235,000	2,735,000

There is no unpaid liability on any share and there are no shares in treasury.

3. CAPITAL SURPLUS		
Balance at 1 January	1,351,204	478,524
Revaluation of Equity Investment	(54,470)	133,832
Revaluation of Investment Properties	0	738,848
Balance at 31 December	1,296,734	1,351,204

The capital surplus consist of surplus which arose in revaluation of investment properties and equity investments as follows:

Investment Properties	1,211,258	1,208,326
Equity Investment	85,476	142,878
	1,296,734	1,351,204

4. CONTINGENCY RESERVE

This represents amount set aside as undistributable reserve fund from Income Surplus annually in accordance with the Insurance Act, 2006 (Act 724). Amount set aside as undistributable reserve represents amount not less than 3% of the total premiums or 20% of the net profits whichever is the greater, and such amount shall accumulate until it reaches the minimum paid-up capital or 50% of the net premiums whichever is the greater. Movement during the year is set out in Statement of Changes in Equity.

5. INCOME SURPLUS

This represents accumulated residual profit available for distribution to the shareholders. Movement during the year is set out in Statement of Changes in Equity.

6. PROPERTY, PLANT & EQUIPMENT

FIXED ASSETS	Land and Buildings GH¢	Motor Vehicles GH¢	Office Furn. &Equipment GH¢	Bungalow Furn.&Equip. GH¢	Computers Hardware GH¢	Computers Software GH¢	Library Books GH¢	Total Gh¢
Cost/Revaluation								
Balance at 01/01/11	582,655	138,208	68,907	125,011	27,698	210,269	1,368	1,154,116
Additions	0	158,566	85,128	5,401	102,971	726,172	0	1,078,238
Balance at 31/12/11	582,655	296,774	154,035	130,412	130,669	936,441	1,368	2,232,354
Depreciation								
Balance at 01/01/11	75,704	71,940	13,781	59,651	6,925	180,429	1,367	409,797
Charge for the year	11,500	68,568	30,807	22,261	32,667	155,181	0	320,984
Balance at 31/12/11	87,204	140,508	44,588	81,912	39,592	335,610	1,367	730,781
Carrying Amount								
At 31/12/11	495,451	156,267	109,447	48,500	91,077	600,831	1	1,501,573
At 31/12/10	506,951	66,268	55,126	65,360	20,774	29,840	1	744,320

	2011 GH¢	2010 GH¢
7. INVESTMENT PROPERTY		
Balance at 1 January	7,884,838	2,698,395
Revaluation	0	738,848
Disposal	(1,526,561)	0
Acquisitions	46,781	4,447,595
Balance at 31 December	6,405,058	7,884,838

The revaluation surplus arose on the valuation of Plot number 26 and 27 6th Avenue, Ridge (Asylum Down) Accra on 10 November 2010 on the basis of comparative method of valuation.These revaluations were done by Assenta Property Consulting (International Property and Development Consultant, Valuers and Property Managers), House No. D564/4 Kojo Thompson Road, Adabraka.

	Listed Equity Securities GH¢	unListed Equity Securities GH¢	Total GH¢
8. LONG TERM INVESTMENTS	365,137	3,415,605	3,780,742
Balance at 1 January 2010			
Changes in 2010:			
Acquisition	0	42,203	42,203
Revaluation	133,832	0	133,832
Balance at 31 December 2010	498,969	3,457,808	3,956,777
Changes in 2011:			
Delisted	(18,508)	0	(18,508)
Acquisition	0	57,508	57,508
Revaluation	(54,470)	0	(54,470)
Balance at 31 December 2011	425,991	3,515,316	3,941,307

Unlisted Securities

Unlisted Securities include equity holdings by the Company in related companies resident in Ghana. The Company's holdings at the year end include:

	2011	2010
StarLife Assurance Company Ltd.	28%	28%
Integrated Properties Ltd.	54%	54%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 GH¢	2010 GH¢
9. OUTSTANDING PREMIUM		
Gross amount less bad debts written off	11,891,204	10,572,806
10. DEBTORS AND PREPAYMENTS		
Staff Debtors	662,115	465,799
Sundry Debtors	621,748	557,835
Directors' Account	190,671	190,671
Prepayments & Deposits	661,372	893,380
	2,135,906	2,107,685

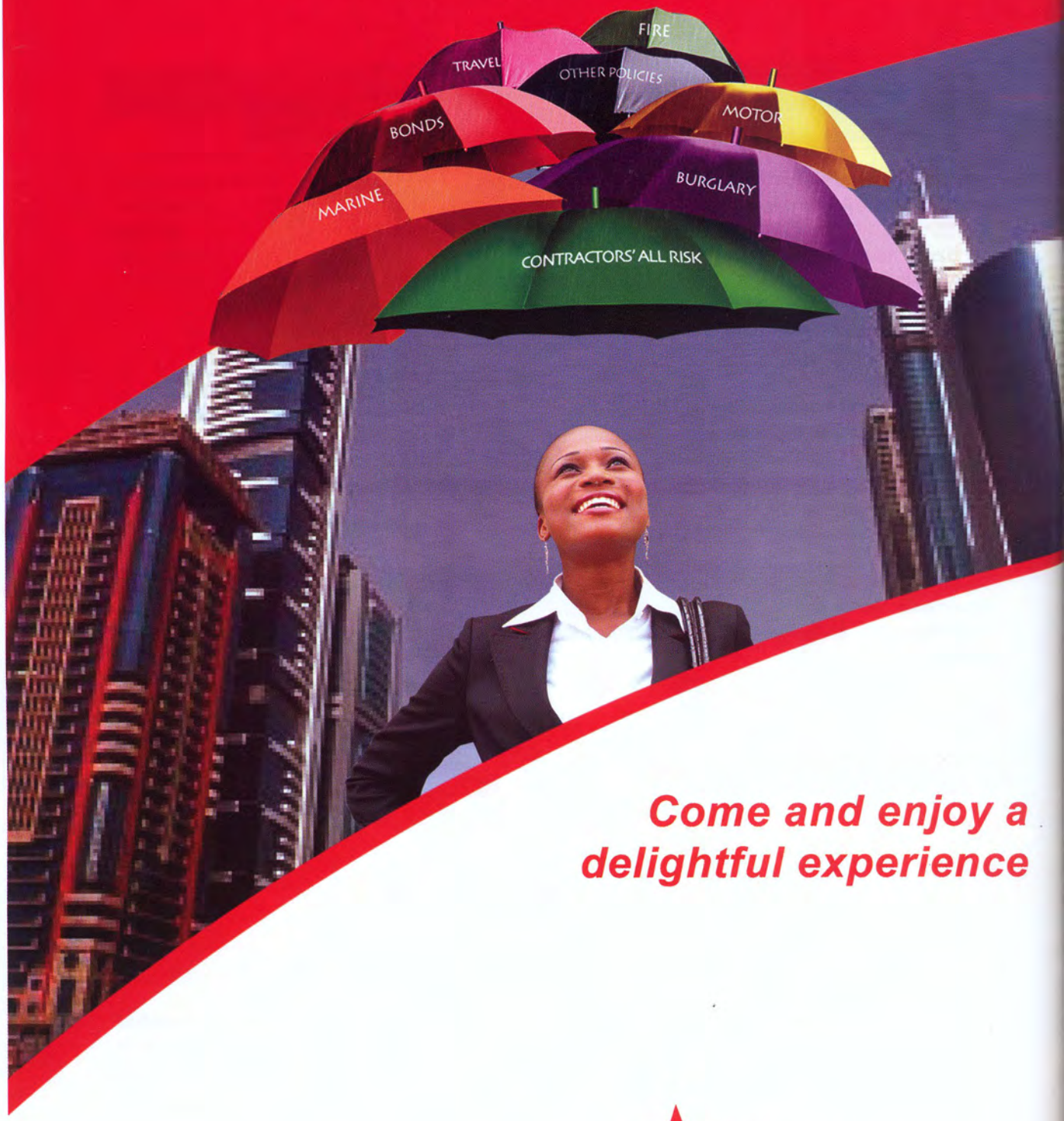
a.The maximum amount owed by staff to the Company did not at any time during the year exceed Gh¢662,115 (2010 - Gh¢465,799).

b.Prepayments represent the unexpired portion of certain expenditure spread on time basis.

11. SHORT TERM INVESTMENTS		
Government Securities	385,190	344,550
Fixed Deposits	10,808,360	8,746,059
Statutory Deposit	215,271	169,400
	11,408,821	9,260,009
12. CASH AND BANK BALANCES		
Cash on Hand	119,170	82,551
Cash at Bank	821,113	740,747
	940,283	823,298

Star Assurance

...assuring more than enough cover!



Come and enjoy a delightful experience

Star Assurance
...your solid partner

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 GH¢	2010 GH¢
13. CLAIMS LIABILITY		
Balance at 1 January	3,902,895	3,859,335
Claims incurred less recoveries (note 21)	4,667,052	2,716,364
Claims paid less recoveries	(5,683,501)	(2,672,804)
Balance at 31 December	2,886,446	3,902,895
14. CREDITORS AND ACCRUALS		
Commission Payable	4,274,131	2,914,398
Sundry Creditors	390,627	375,665
Accruals	32,746	15,870
Witholding Tax	304,347	0
	5,001,851	3,305,933
15. PROVISION FOR UNEARNED PREMIUM		
Balance at 1 January	8,737,441	6,372,870
Additional Provision	770,129	2,364,571
Balance at 31 December	9,507,570	8,737,441

Year of Assessment	Balance at 1 Jan. '11 GH¢	Payments and credits GH¢	Charge for the year GH¢	Balance at 31 Dec. '11
Capital Gains Tax	800	0	0	800
Interest Withholding Tax	(11,000)	(1,197)	1,719	(10,478)
Rent Income	31,400	0	0	31,400
Corporate Tax 2009	353,515	0	0	353,515
Corporate Tax 2010	1,537,821	0	0	1,537,821
Corporate Tax 2011	0	(1,192,189)	814,358	(377,831)
	1,912,536	(1,193,386)	816,077	1,535,227

Year of Assessment	Balance at 1 Jan. '11 GH¢	Payment during the year GH¢	Charge for the year GH¢	Balance at 31 Dec.'11 GH¢
2009	18,794	0	0	18,794
2010	291,400	0	0	291,400
2011	0	(190,852)	185,563	(5,289)
	310,194	(190,852)	185,563	304,905

This is a levy of 5% of accounting profit before tax for the year. This is payable to the Commissioner of Internal Revenue Service under the National Fiscal Stabilization Levy Act, 2009 (Act 785).

	2011 GH¢	2010 GH¢
18. BORROWING		
Due within one year	3,128,919	1,096,130
Due after one year	220,544	1,402,778
	3,349,463	2,498,908

This represents loan of GH¢2.4 million and GH¢1.5 million obtained from Databank and uniBank Ghana Limited respectively. Interest rates are 16% and 14.5% per annum respectively. Securities are legal mortgage over landed property, lien over a fixed deposit and joint and several guarantee of the Directors of the company.

19. INVESTMENT INCOME		
Interest on Short Term Investments	1,390,346	1,842,680
Dividends on Listed Equities	21,491	18,922
Interest on Staff Loan	26,634	18,876
	1,438,471	1,880,478
20. OTHER INCOME		
Profit on Disposal	616,713	673,257
Premium Recoveries	10,579	24,439
	627,292	697,696

NOTES TO THE FINANACIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 GH¢	2010 GH¢
21. NET CLAIMS INCURRED LESS RECOVERIES		
Gross Claims Incurred	4,984,987	4,870,984
Recoveries	(317,935)	(2,154,620)
	4,667,052	2,716,364
22. NET COMMISSION		
Commission Expense	6,038,412	4,762,215
Commission Income	(3,110,309)	(2,422,594)
	2,928,103	2,339,621
23. MANAGEMENT EXPENSES		
These include:		
Auditors' Remuneration	17,250	13,800
Directors' Remuneration	38,425	21,919
Depreciation	320,984	138,950
Donations	45,714	46,393
24. DIVIDEND		
Dividend paid	0	1,239,607
25. RELATED PARTY TRANSACTIONS		
Staff Debtors	662,115	465,799
Directors' Account	190,671	190,671
	852,786	656,470
26. ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and Bank Balances (Note 12)	940,283	823,297
Short term Investments (Note 11)	11,408,821	9,260,009
	12,349,104	10,083,306

SCHEDULE TO REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	FIRE GH¢	MOTOR GH¢	ACCIDENT GH¢	MARINE GH¢	TRAVEL GH¢	AVIATION GH¢	2011 GH¢	2010 GH¢
Underwriting Income								
Gross Premium	6,493,523	15,740,350	10,988,952	1,335,375	300,465	977,651	35,836,316	28,168,710
Reinsurance Costs	(4,864,857)	(1,448,527)	(6,130,540)	(1,287,247)	(70,752)	(938,545)	(14,740,468)	(8,764,856)
Net Premium	1,628,666	14,291,823	4,858,412	48,128	229,713	39,106	21,095,848	19,403,854
Change in Unearned Premium	(398,530)	(1,152,065)	742,066	(21,829)	71,909	(11,680)	(770,129)	(2,364,571)
Net Premium Earned	1,230,136	13,139,758	5,600,478	26,299	301,622	27,426	20,325,719	17,039,283
Underwriting Expenses								
Claims less recoveries	147,070	4,373,092	140,998	0	5,892	0	4,667,052	2,716,364
Net Commissions	623,749	2,562,024	162,107	(132,358)	25,014	11,780	2,928,102	2,339,621
Management Expenses	2,006,572	4,863,946	3,395,710	412,646	92,847	302,105	11,073,826	8,707,357
	3,350,991	10,861,787	4,402,191	386,677	123,753	313,885	18,668,980	13,763,342
Underwriting Profit / (Loss)	(1,547,254)	1,340,697	2,225,876	(253,989)	177,869	(286,459)	1,656,739	3,275,941

DEPARTMENTAL AND BRANCH HEADS

Yaw Adom-Boateng	-	Technical Operations
Adelaide Agyeman-Boakye	-	Office of COO
Toni J.C. Bakawu	-	Information Technology
Henrietta Denanyoh	-	Human Resources
Bernard Ahiafor Esq.	-	Legal
Esther Baffour-Awuah	-	Claims
Richard Adu-Marfo	-	Research, Reinsurance & Investment
William Larmie	-	Credit Control
Moses Atobrah	-	Marketing
Justice Frank Offei	-	Accounts
Joseph Antwi	-	Agency
Thompson Agbesi	-	Corporate Relations
Joseph Dorh	-	Broker Relations
Eldon Otu	-	Kumasi
Catherine Danquah	-	Retail / SME
Kwadwo Okoh	-	Ring Road Central
Richard Kisi Kuhney	-	Accra (CMB)
Solomon Aboagye	-	Takoradi
Solomon Amo Badu	-	Sunyani
Nunoo A. Nii Annan	-	Koforidua
Philip Nanabanyin Dennis	-	Tema
Bright Avorgbedor	-	Ho
Nuru-deen Abdulai	-	Tamale
Nicholas Afrifa	-	Nkawkaw
Armstrong Amenyah	-	Spintex

Worry no more

Let go, Let Star.

Come and enjoy delightful experiences

CALL NOW! 0302 240632 / 0302 242233

Star Assurance
...your solid partner

www.starassurance.com

Contacts

Head Office
No. C551/4 Cola Street
(Adjacent ATTC) Kokomlemle
P. O. Box 7532, Accra-North
Tel. 233-0302 240632 /
242233 /247579 / 246568 /
Fax: 233-0302 237156

North Ridge
C961/3 Oforiwaa Ville,
1st North Ridge Link,
Near German Embassy, Accra
Tel. 233-0302 912754-6 / 245906 /
245908
Fax: 233-0302 230624

Ring Road Central
3rd Floor, Meridian House,
Near the Nima Police Station
Tel. 233-0302 236632 / 245514
Fax: 233-0302 236616

CMB
Opp. Railway Police Quarters,
ABL Road, Accra
Tel. 233-0302 662191 / 664984
Fax: 233-0302 664984

Tema
Asafoatse Kotei Building
Community 1
P. O. Box CE 11235, Tema
Tel. 233-0303 210550
Fax: 233-0303 210551

Ho
Opp. The Main Lorry Park (Out Gate)
P. O. Box 628, Ho
Tel. 233-03620 26788 / 25660/1
Fax: 233-03620 25660

Kumasi
1st Floor Cocobod Jubilee House
P. O. Box 141 F. N. T., Kumasi
Tel. 233-03220 27311 / 38203/4
Fax: 233-03220 38203

Koforidua
Former OSA Bus Station
Near the Graphic Corporation
P. O. Box 1192, Koforidua
Tel. 233-03420 22748
Fax: 233-03420 26600

Takoradi
SSNIT House adjacent the Central
Police Station, Collins Avenue
P. O. Box 1185, Takoradi
Tel. 233-03120 21617 / 23665
Fax: 233-03120 25146

Sunyani
Ground Floor, Cocoa House Building
P. O. Box 820, Sunyani
Tel. 233-03520 23225 / 28740
Fax: 233-03520 26392

Tamale
Near Lamashegu Market
P. O. Box 1401, Tamale
Tel. 233-03720 26563
Fax: 233-03720 24910

Nkawkaw
Opposite SSNIT
Tel: 233-0341 22276

Spintex Road
Kwadwo Adjei Plaza
Tel: 0302-817908-10
Fax: 0302-817909

Achimota
Abofu near the Achimota New Station
Shalom Filling Station
Tel: 028 9551366