2016 ANNUAL REPORT & FINANCIAL STATEMENTS

Star Assurance

...your solid partner

do with Smiles

SINCE 1985

STAR ASSURANCE

A smile speaks one language, and insurance has known one name.
Star Assurance has been the reason for the smiles of many for over years.


2016
ANNUAL REPORT
& FINANCIAL STATEMENTS

THE CONTENT

Corporate Information

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, Travel Insurance, etc.
Within thirty-one (31) 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 twenty eight (28) 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.

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 optimise resources in order to give clients increased satisfaction, employees optimised 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 sales representatives 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.

VALUES

Professionalism
We apply our deep skills and expertise and broad capabilities to consistently deliver reliable services to our customers and ensure their needs are being met.

Innovation
We are dedicated to continually improving our products, operations and performance in order to deliver innovative solutions and extraordinary services to exceed the highest expectations of our customers.

Teamwork
We build mutually bene cial relationships among staff, agents, brokers and other partners who share similar values and work in tandem to achieve high performance, excellence and superior business results.

Ownership
Enterprise culture is the philosophy through which the management and staff develop a high sense of ownership by consistently making decisions in the best interest of the company and its customers.

Winning Spirit
We are action-oriented, constantly striving to deliver results, create possibilities and build a brighter future for all stakeholders.

Our Products

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

- Advance Mobilization
- Performance Bond
- Custom Warehousing Bond

Executive Management

Kofi Duffuor	Managing Director
Samuel Kwaku Ocran	Deputy Managing Director
Boatemaa D. Barfour-Awuah (Mrs.)	Executive Director (Fin. & Admin.)
Emmanuel Baiden	General Manager (Finance)

Departmental & Branch Heads

Yaw Adom-Boateng	Chief Manager (Work Groups)
Adelaide Agyemang Boakye (Mrs.)	Chief Manager (Southern Sector)
Eldon Otu	Chief Manager (Northern Sector)
Thompson Agbesi	Technical Operations
Toni J. C. Bakawu	Information Technology
Henrietta Denanyoh (Mrs.)	Human Resources
Summers Darko (Mrs.)	Legal
Esther Baffour-Awuah (Mrs.)	Claims
Esther Yirenkyiwah Opoku (Ms.)	Reinsurance
William Larmie	Quality Assurance
Samuel Abrokwah	Audit and Investigations
Justice Frank Offei	Accounts
Joseph Antwi	Agency Coordinator
Nana Serwaa Abrahams (Mrs.)	Broker Relations
Cathrine Danquah (Ms.)	Retail / SME
Ann Marian Owusu (Mrs.)	Corporate Relations
Ivy Sarpong (Ms.)	Achimota
Rita Owusu (Mrs.)	Airport City
Solomon Amo Badu	Dansoman
Joseph Donkor	Darkuman
Adwoa Naa Antwiwaa (Ms)	Ridge
Justice Amoah Nyarko	Ring Road
Patience A. Ankah (Ms.)	Osu
Godknows Adjei	Ashaiman
Philip Nanabanyin Dennis	Tema
Michael Adomako	Madina
Armstrong Amenyah	Spintex
Peter N. Dennis	Kasoa
Daisy Stead (Mrs.)	West Hills
Frank Ampem Darko	Danyame (Kumasi)
Anita Manu (Ms.)	Suame (Kumasi)
Felix Afrifa	Kumasi Main
Nuru-deen Abdulai	Tamale Main
George Akolgo	Tamale
Solomon Aboagye	Takoradi
Lilian Amponsah (Ms) - Acting	Sunyani
John Arthur	Tarkwa
John Foryi	Techiman
Nicholas Afrifa	Nkawkaw
Alphonso N. A. Nunoo	Koforidua
Francis Gelli	Ho

- **Registered Office**

1st Floor, Stanbic
Heights Building
215 South Liberation
Link - Airport City
P. O. Box AN 7532,
Accra - North

- **Solicitors**

Summers Darko (Mrs.)
Legal Department
Star Assurance Co. Ltd.
P. O. Box AN 7532,
Accra - North

- **Auditors**

Deloitte & Touche Ibex
Court, 4 Liberation Road
P. O. Box GP 453, Accra,
Ghana.

- **Main Bank**

Barclays Bank of Ghana Limited
National Investment Bank Limited
Ghana International Bank - England
uniBank (Ghana) Limited

BOARD OF DIRECTORS

Mr. Alexander G. Buabeng
Chairman

Mr. Kofi Duffuor
Managing Director

Mr. Samuel Kwaku Ocran
Dep. Managing Director

Boatemaa D. Barfour-Awuah (Mrs.)
Executive Director

Mr. A. K. Basoah
Member

Mr. Solomon Adiyiah
Member

Mr. Kwadwo Okoh
Member
(Appointed - March 2016)

Juliana Asante (Mrs.)
Member
(Resigned - May 2016)

Summers Darko (Mrs.)
Company Secretary


STAR TRAVEL POLICY
Make your trips much more relaxing with complete protection for yourself and your luggage.
Get your Star Contractors' All Risk Policy today!

Chairman's Report

Distinguished shareholders, fellow Board Members, I am pleased to report to you another year of outstanding performance of Star Assurance Company Limited. We, as a company, have maintained consistent growth and as a result almost doubled the size of the Company within a period of four years.

The year 2016, indeed was very robust as your company crossed the GH¢100m milestone in its 31 years of existence.

Economic Review

In 2016, the world experienced weak investment growth, policy uncertainties and depressed world economic activity. Global growth was at 2.3% and it is expected to grow to 2.7% by the end of 2017. The year saw developed countries struggled as they battled poor domestic growth and increased uncertainty about policy direction.

On the back of improving commodity and gold prices coupled with developments on the global front, the World Bank revised global growth forecasts downwards slightly below 3.5%, which means it is likely that in 20years global GDP could be doubled. Many Asian and African countries will grow at 7% or more per year, and high-growth countries will quadruple their GDP over the next two decades. Growth is cutting back poverty and the emerging-market middle class is growing into a consumer force to be reckoned with.

On the domestic front, Ghana's economy grew at the second slowest rate in over a decade last year according to preliminary data. Figures reported by World Bank Report indicated that the economy in the first Quarter 2016 grew by 4.9% which was higher than the same period in 2015 of 4.1%.

This growth was supported by high productivity and development in the service sector. However, the total GDP for 2016 was below the 3.9% growth in 2015 mainly due to low production of crude oil. More so, low commodity prices weighed on the country's external sector and the cedi, which lost nearly 9.6% of its value last year. The power shortages the country experienced also resulted in disruptions in economic activity.

Inflation at the end 2016 was 15.4% above the target rate of 10.1%. This was impacted by the pass through effects of exchange rate volatility, persistent increase in food inflation and fiscal outturn, increased petroleum prices and other tradable goods and services. In spite of all these challenges, the Ghana's government is committed to maintaining a path of fiscal consolidation to complement tight monetary policy stance to deliver on a medium term targets as the country is under strict surveillance by the International Monetary Fund.

Industry Development

According to Swiss Reinsurance Global Review, 2016 non-life premium growth was slower in 2016 than in 2015. Non-life premium have risen by 2.4% in 2016(in real terms) after a rise in 3.0% in 2015. However, advanced countries experienced a drop in premium to 1.7% from 2.5% in 2015. The major reason for the decline in premium was the low pricing in the commercial insurance as well as weaker economic growth experienced. Nevertheless, the sub-Saharan Africa continues to be one of the world's fastest growing regions in the insurance industry with estimated growth of 3.5%in 2015. Africa's economic boom and subsequent growth of its insurance market, which is well above the global average, are the region's most significant strengths, according to the majority of the executives polled. The market's robustness has improved markedly, partly due to tighter regulation, but also benefiting from enhanced distribution of insurance products driven by the growing success of banc assurance and mobile phone distribution.

In Ghana, the unwavering stance of the regulator, National Insurance Commission (NIC), to drive insurance growth and ensure strict compliance with relevant laws affecting insurance business has increased investors' confidence in Ghana's insurance industry. Effective 1st January 2016, all industry players are expected to adhere to the new solvency frame in a quest to strengthen the financial capacity of operators in the Ghanaian Insurance industry.

It is imperative to state that the implementation of the enterprise risk management has augmented internal controls and improvement of general operations in the industry. Although there have been many reforms in the industry, the contribution of the insurance industry to the country Gross Domestic Product remains low despite the huge potential of the subsector. It is expected that the new legal and regulatory framework – which has provisions on the emerging insurance portfolios such as micro insurance will guarantee the deepening of insurance penetration and access to the financial services.

Business Operations

The company believes in continuous business process re-engineering to improve operational efficiency and profitability. This is achieved through the periodic review of the overall processes and procedures of the company's operations by the management. The year saw series of reviews of our operations such as IT infrastructure and technical Operations with the aim to enhance work effectiveness, efficiency and service delivery.

Corporate Governance

Star Board is responsible for value creation and this is achieved through firmly entrenched governance structures that support value creation and manage its associated risks. In fact, instituting this governance structure by the Board has impacted positively to the success of the company.

The company's philosophy sets out the approach and behaviors that guide the implementation of the corporate strategy. This strategy is reviewed periodically by the board considering the trends in the market in which we operate, identify risks and opportunities, and decide on how to respond appropriately.

In view of this, the company is able to manage and optimize risks, thus enabling it to determine how much uncertainty and risks are acceptable at any point in time within our operations.

Financial Performance

The year 2016, indeed is very significant to the company since the GH¢100 million milestone in revenue was achieved. It was a year packed with a lot of activities in its 31 years of existence. Our branch expansion programme saw three additional branches being opened. We also increased our strategic alliance with both existing brokers and new brokers and the company also joined the new insurance distribution channel trend to engage in full time management of bancassurance.

The 2016 financial performance was in no doubt very impressive, indeed a reflection of the company's strong and resolute strategies being pursued over the last few years. It is up to us as Management and with the strategic direction from the Board, to remain as the solid partner of choice to our numerous clients and continue to provide excellent products and services and also strive to be the preferred insurance company in Ghana.

Gross Premium went up by 30% from GH¢93.1million to GH¢121.5million while Net Premium posted a higher growth of 33% from GH¢66.8milion to GH¢50.1million. Investment Income also grew from GH¢20 million in 2015 to GH¢30 million in 2017, representing 30 percent increase. The above increases led to Net Income growth of 32% from GH¢82 million in 2015 to GH¢111 million in 2016. This sterling performance confirmed the strong and resilient strategies adopted by management over the years.

Net Claims incurred went up by 43% from GH¢21 million in 2015 to GH¢30 million in 2016 thus an evidence of our commitment to be the insurance risk management partner and our promise to honour genuine claims payment promptly. As the claims experience is a client's opportunity to test STAR delivery on the brand to create smile, client's satisfaction is an important measure for the brand.

Profit before taxation for year recorded a tremendous increase of 37% from GH¢18.9 million in 2015 to GH¢25.8 million in 2016 making profit after tax also recording a notable jump from GH¢14.0 million to GH¢19.6 million representing 40% growth.

Total assets grew by 34% from GH¢12.6 million in 2015 to GH¢161.7 million in 2016, while Shareholders' Funds also recorded an increase of 29% from GH¢67.3 million in 2015 to GH¢86.8 million in 2016.

Our progress in growth has been to your incredible assistance and support as we are in the business of helping people to make the most of their money while delivering on sustainable and enduring value of our stakeholders.

We believe partnership is the key to our success, Ladies and Gentlemen in order to sustain our strategic position in the industry; we need to draw on our collective strengths to drive our company to the topmost ladder in the insurance industry.

Board Changes

The directors wish to inform members of the following changes in the board. Mrs. Juliana Asante resigned from the board in May 2016 while Mr. Kwadwo Okoh was appointed as a board member with effect from March 2016. I take this opportunity to, once again, wish Julie well in her future endeavours.

Profile of the new Director

Mr. Kwadwo Okoh is a Chartered Insurance Practitioner (ACII) of the Chartered Insurance Institute, UK. He graduated from Beloit College, U.S.A. with a BSc. Mathematics and Physics. He later earned a Distinction in MSc. Finance from Cass Business School, City University London, UK. He has also passed all three exams of the Chartered Financial Analyst Program.

Kwadwo is currently a Finance Manager at uniBank Ghana Limited and has over a short period acquired enhanced banking knowledge and experience with particular focus in Finance & Strategy, Treasury Management, Credit Risk, International Trade Finance, Information Technology, Audit & Compliance, Operations and Retail & SME.

Prior to joining uniBank, Kwadwo worked with Star Assurance where he started his insurance career and rose to become a branch manager. As a branch manager and an insurance practitioner, his main responsibilities included insurance risk assessment and underwriting, insurance sales and prospecting, branch supervision.

Outlook for 2017

The Board evaluation for the year 2016 confirms that we operate effectively, however there are always areas of improvement. Our focus on the future to ensure that our management team attuned to the changing needs of our stakeholders as recognizes that this matters most to us.

The conditions of the insurance environ in Ghana remain competitive, we continue to enhance strategic alliance with the brokers to increase productivity still focusing on our strategic agenda to increase the Retail, Small and Medium Enterprises production.

We continue to focus on the optimization of the claims and procurement value chains to increase efficiency and counter the impact of the currency depreciation. The company will also maintain its focus on cost-efficiencies to improve the management expense ratio over the medium term. For the company to continue creating smile, Star has to be able to claims costs, as its impacts on the affordability of insurance and negatively affects underwriting margin,

Finally, we are not complacent about performance and so we will continually strengthen our governance structures. More stringent approach like adoption quality assurance practice to assist the Audit, Risk Management and Finance committee in executing its duties to ensure full compliance to the company and regulatory standards.

Appreciation

Many people contributed to the good management and steadiness at Star Assurance in this remarkable year. We recognize the efforts of the insurance broking firms, our agents, employees and business partners. I also thank my colleagues on the board for their support and ability to steer the company on its journey towards ultimate vision. The executive management team has again proven their tenacity and commitment to the company, industry and all its stakeholders. We are confident in the ability of our entire human resource team to create smiles to our cherished clients in the coming year 2017.


STAR COMPREHENSIVE HOMEOWNERS' POLICY
Enjoy your home moments to the fullest, with your house and its contents totally insured.
Get your Star Contractors' All Risk Policy today!

EXECUTIVE MANAGEMENT

Kofi Duffuor
Managing Director

Kofi had his insurance training in the United Kingdom and has been in the insurance industry for over twenty six (26) 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 former member of the Executive Council of Ghana Insurers Association. He has attended several conferences and seminars at home and abroad in insurance management and nancial 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.

Samuel K. Ocran
Deputy Managing Director

Sam graduated from the School of Administration, University of Ghana with a BSc. Admin. (Insurance Option). He also holds a Master of Business Administration (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.

Boatemaa D. Barfour - Awuah (Mrs.)
Executive Director
(Finance & Administration)

Boatemaa 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.

Boatemaa is a Chartered Insurer and an Associate member of the Chartered Insurance Institute, U. K. Mrs. Barfour-Awuah 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.

Emmanuel Baiden
General Manager
(Finance)

Emmanuel 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 seminarsand conferences both in Ghana and Abroad on Financeand Insurance.

Kofi Duffuor

Managing Director's Statement

The stance for our company remained positive for 2016. We are committed to building a strategic alliance to support productivity and continuing exploring different distribution channel that maximum value for our business.

The Company performed in line with Board expectations and continued creating value despite economic and social challenges in the environment in which we operate. Gross premium shot up significantly by 30% from a record of GH¢93.1million in 2015 to a record of GH¢121.5million as indicated on the figure below.

The performance could not have been achieved without us continuing to harness the link of relationship among us, Brokers and Sales Representative as strategic alliance to the success of our business operations. This strategic partnership has been incorporated into the overall corporate objectives to ensure that we derive the best business opportunities which reflect our productivity.

It is worth also to mention that our customers are confident that they are dealing with Star where the fair treatment of customers is central to the company's culture as our retail services are designed to meet the needs of the identified customer groups and are targeted accordingly.

Distribution Channels

Currently, distribution channels have a significant influence on the rate of growth and marketing reach. For the company looking to increase its market share, it is very necessary to reach out to potential customers through new distribution channels such as bancassurance and e-insurance to make use of the efficiency brought by digital and online marketing. The company effectively rolled out its bancassurance services early this year with a strategic alliance with unibank. Even though e –insurance was instituted the previous year, its effectiveness was seen in 2016 through the company reviewing its advertising and promotion mix.

The company also continued the branch network expansion program which started off in 2015. As at the end of 2016, the company had twenty five (25) full-fledged branches across the country in addition to the virtual branch or the e-insurance.

Operating Focus

Our market position is among the top three industry players. Our focus continues to brand our products by the use of existing operating models in innovative ways to reach out to potential and emerging clients. We intend to continue this path to ensure that star brand becomes the number one choice when it comes to insurance.
This will be achieved through:

- Re-strategizing out marketing and sales activities through initiatives that focus on clients' needs. We will also continue to build customer trust by ensuring that Star delivers on its claims promises.

- Accessibility will be our hallmark. We will ensure ease in buying insurance, servicing and claims handling.

- Customer Service – making excellent customer service delivery our topmost priority. Star will continue to dedicate in improving its products, operations and performance in order to deliver innovative solutions and extraordinary services to exceed the highest expectations of its customers.

Currently we are strategically aligned with seven (7) of the top 25% Insurance Brokers in Ghana. Our industry is broker driven hence our company has strategically position itself in such a way that by 2020, Star will underwrite more than 40% of total brokers' business.

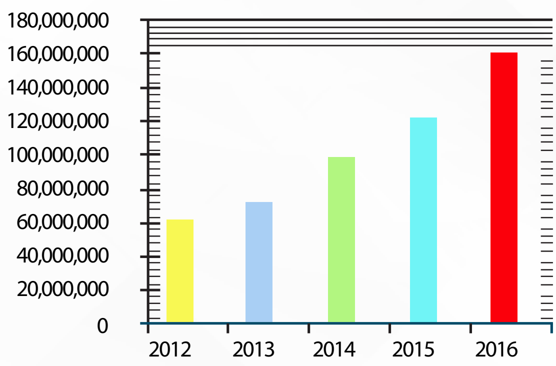
We shall continue to explore all other opportunities within Ghana and outside Ghana to enhance our business operations and establishment of strategic partnership.

Rating

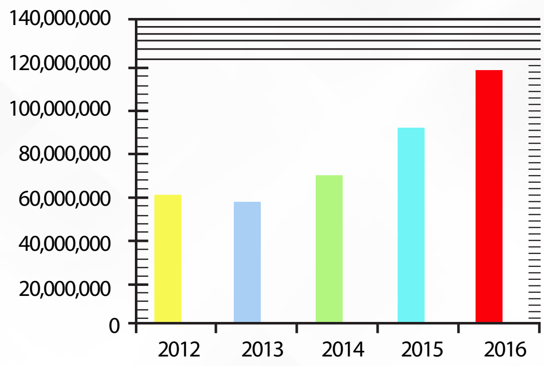
It is worth mentioning that our Company's claims paying ability was rated "A+" by the Global Credit Rating Company in year 2016 (awarded "A" in 2015). We pride ourselves with this result as it inspires to brand our products that are value driven to give clients' increased satisfaction, provide a congenial work environment for our staff and optimize resources to maximize shareholders value.

I therefore wish to express my appreciation to our able leadership of the board of directors. We will continue to work hard to improve on the gains we have already chalked. And to the rest, God bless you for your continued support and direction to the success of your cherished company.

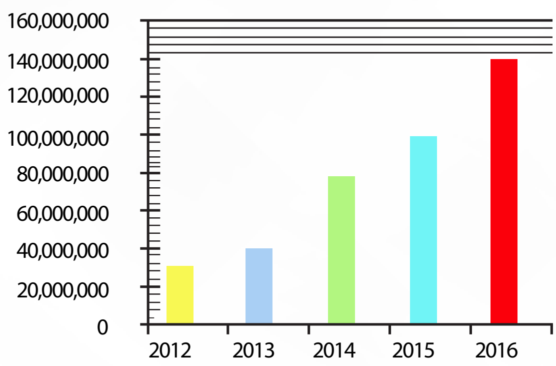
Total Asset



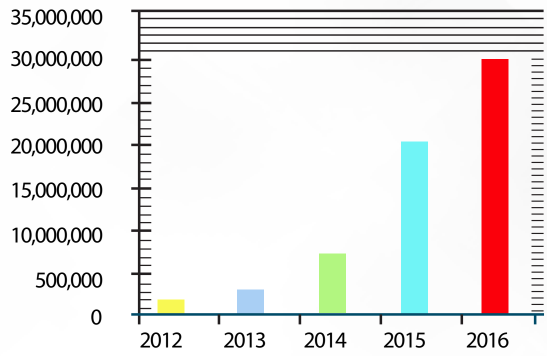
Gross Premium



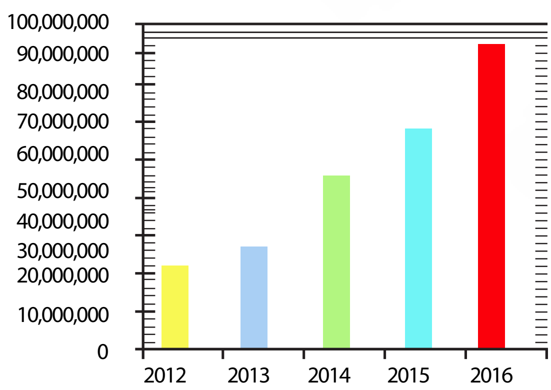
Shareholder's Fund



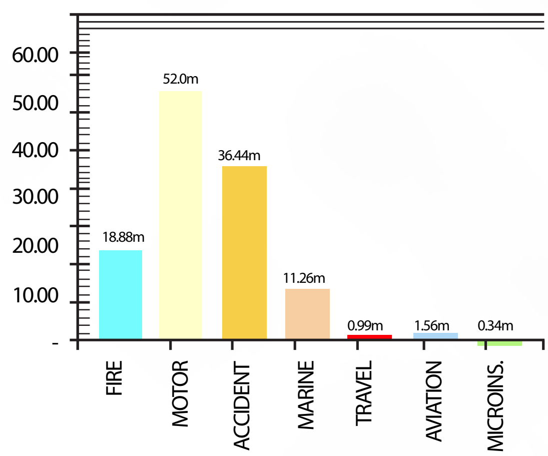
Investment Income



Total Investment



2016 Gross Premium Chart




STAR CONTRACTORS' ALL RISK POLICY
Confidently execute your projects as all risks are covered from start to finish.
Get your Star Contractors' All Risk Policy today!

Directors' Report

In accordance with the requirements of Section 132 of the Companies Act, 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, 2016.

1. Account

	Dec-16 Gh¢	Dec-15 Gh¢
Gross Premium	**121,485,821**	93,126,194
Reinsurance Premium	**(46,036,511)**	(36,492,599)
Profit before Tax	**25,755,360**	18,895,087
Corporate tax provision of	**(4,867,400)**	(3,934,073)
and National Fiscal Stabilisation Levy	**(1,287,768)**	(944,754)
leaving Net Profit after Tax of	**19,600,192**	14,016,260
which is added Income Surplus Account brought forward from the previous year	**14,064,968**	2,851,960
making a total Income Surplus of	**33,665,160**	16,868,220
from which is deducted a transfer to Contingency Reserve of	**(3,920,038)**	(2,803,252)
leaving a net balance on the Income Surplus Account which is carried to the Statement of Financial Position	**29,745,122**	14,064,968

2. Principal Activity

The principal activity of the Company is the provision of insurance services in accordance with the Regulations of the Company. There was no change in the principal activities carried out during the year.

3. Other Matters

The Directors confirm that no matters have arisen since 31 December, 2016 which materially affect the Financial Statements of the Company for the year ended on that date.

Board Chairman

17th May 2017

Managing Director

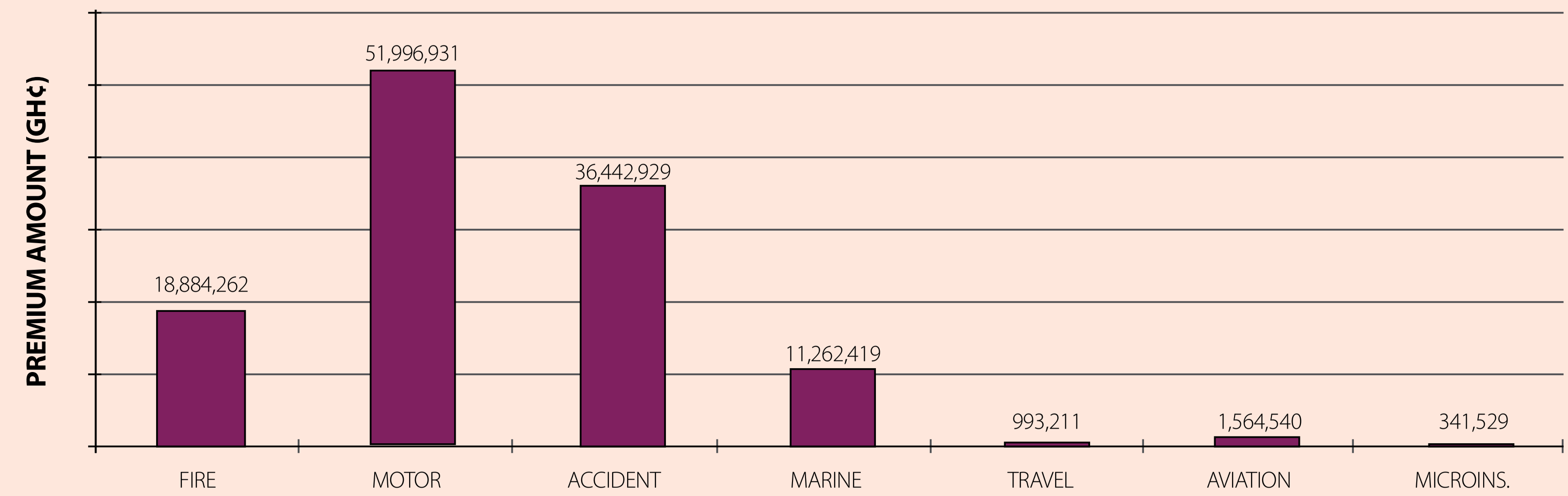
Financial highlights (Summary)

31 December 2016

POLICY TYPE

	FIRE Gh¢	MOTOR Gh¢	ACCIDENT Gh¢	MARINE Gh¢	TRAVEL Gh¢	AVIATION Gh¢	MICROINS. Gh¢	TOTAL Gh¢
Insurance premium revenue	18,884,262	51,996,931	36,442,929	11,262,419	993,211	1,564,540	341,529	**121,485,821**
Net Underwriting Income	7,562,914	44,197,743	21,222,351	1,418,245	846,176	682,573	341,529	**76,271,530**
Management Expenses	5,485,536	15,104,165	10,586,009	3,271,528	288,510	454,470	88,555	**35,278,773**
Underwriting Profit / (Loss)	(3,833,818)	(5,558,295)	1,218,355	(2,255,855)	77,747	(113,730)	(72,136)	**(10,537,732)**

GROSS PREMIUM CHART



Independent Auditor's Report

To the Members of Star Assurance Company Limited
Report on the Audit of the Financial Statements

Deloitte.

Opinion

We have audited the accompanying financial statements of Star Assurance Company Limited which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other national disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of Star Assurance Company Limited as at 31 December 2016 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Insurance Act, 2006 (Act 724) and in the manner required by the Companies Act, 1963 (Act 179).

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 are independent of the Company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) as adopted by the Institute of Chartered Accountants Ghana (ICAG) and we have fulfilled our other ethical responsibilities in accordance with IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditor's report .The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

Responsibilities of the Directors for the 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, the Insurance Act, 2006 (Act 724) and the requirements of the Companies Act, Deloitte.

1963, (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

Identify and assess the risks of material misstatement of the 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 Company'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 management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

We communicate with the audit committee and 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.

Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

Deloitte.

We confirm that:

i. We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose of our audit.

ii. The Company has kept proper books of account, so far as appears from our examination of those books.

iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with Section 78 (1) of the Insurance Act, 2006 (Act 724), the Company has kept accounting records that are sufficient to explain its transactions and financial position with respect to its insurance businesses and any other business that it carries on.

The engagement partner on the audit resulting in this independent auditor's report is Kwame Ampim-Darko (ICAG/P/1453)

For and on behalf of Deloitte & Touche (ICAG/F/2017/129)
Chartered Accountants
4 Liberation Road
Accra Ghana
17th May 2017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Statement of Financial Position

As at 31 December 2016

	Notes	Dec-16 Gh¢	Dec-15 Gh¢
Assets			
Property, Plant & Equipment	15	**4,061,802**	3,583,356
Intangible Assets	16	**301,310**	-
Investment Properties	17	**8,658,615**	4,490,724
Available-for-sale Equity Investments	18 (a)	**16,471,418**	8,388,759
Amount due from Reinsurers		**5,455,171**	7,291,248
Other Receivables	19	**4,523,819**	4,038,831
Available-for-sale Debt Investment	20	**116,806,354**	87,208,500
Cash and Bank Balances	21	**5,378,704**	5,615,049
Total Assets		**161,657,193**	120,616,467
Equity and Liabilities			
Stated Capital	22	**40,235,000**	40,235,000
Available-for-sale Reserve	18 (b)	**345,795**	425,336
Contingency Reserve	24	**16,447,459**	12,527,421
Income Surplus	25	**29,745,122**	14,064,968
Total Equity		**86,773,376**	67,252,725
Liabilities			
Insurance Claims Liability	26	**25,505,175**	13,908,503
Amount due to Re-insurers		**4,153,066**	1,905,751
Creditors and Accruals	28	**5,138,137**	7,035,391
Provision for Unearned Premiums	27	**34,006,666**	25,338,406
Borrowings	30	**829,807**	829,807
Deferred tax liability	31	**348,146**	1,170,362
Current tax liability	14	**2,756,288**	2,316,758
National Fiscal Stabilisation Levy	29	**2,146,532**	858,764
Total Liabilities		**74,883,817**	53,363,742
Total Equity and Liabilities		**161,657,193**	120,616,467

Approved by the Board on 17th May, 2017

Board Chairman

Managing Director

Statement of Profit or Loss and other comprehensive Income

For the year ended 31 December 2016

	Notes	Dec-16 Gh¢	Dec-15 Gh¢
Insurance premium revenue	5	121,485,821	93,126,194
Insurance premium ceded to reinsurers	5	(46,036,511)	(36,492,599)
Premium Retained		75,449,310	56,633,595
Less Unearned Premium Provision		(8,668,260)	(6,510,873)
Net Premium Earned		66,781,050	50,122,722
Reinsurance commission	7	7,797,643	9,308,141
Investment income	8	30,066,226	20,488,183
Other Income	9	6,665,486	4,304,839
Net Income		111,310,405	84,223,885
Underwriting Expenses			
Commission Expense	10	19,698,484	15,342,085
Claims and loss adjustment expenses	11	31,832,006	29,462,467
Claims and loss adjustments expenses recovered		(1,692,838)	(8,403,535)
Net insurance expenses		49,837,652	36,401,017
Operating Expenses	12	35,278,773	28,531,986
Total Expenses		85,116,425	64,933,003
Results of operating activities		26,193,980	19,290,882
Finance cost	13	(438,620)	(395,795)
Profit before Taxation		25,755,360	18,895,087
Income tax expense	14	(4,867,400)	(3,934,073)
National Fiscal Stabilisation Levy	29	(1,287,768)	(944,754)
Profit for the Year		19,600,192	14,016,260
Other Comprehensive Income			
Items that may be reclassified subsequent to Profit or Loss			
Revaluation gains on Available-for-sale assets	18	(79,541)	(148,255)
Total Comprehensive Income		19,520,651	13,868,005

Statement of Changes in Equity

For the year ended 31 December 2016

	Stated Capital Gh¢	Available-for-sale Reserve Gh¢	Contingency Reserve Gh¢	Income Surplus Gh¢	Total Gh¢
Dec-16					
Balance at 1 January	**40,235,000**	**425,336**	**12,527,421**	**14,064,968**	**67,252,725**
Profit for the year	-	-	-	19,600,192	**19,600,192**
Gains on Available-for-sale assets	-	(79,541)	-	-	**(79,541)**
Transfer to / (from) Contingency reserve	-	-	3,920,038	(3,920,038)	**-**
Balance at 31 December	**40,235,000**	**345,795**	**16,447,459**	**29,745,122**	**86,773,376**
Dec-15					
Balance at 1 January	**40,235,000**	**573,591**	**9,724,169**	**2,851,960**	**53,384,720**
Profit for the year	-	-	-	14,016,260	**14,016,260**
Gains on Available-for-sale assets	-	(148,255)	-	-	**(148,255)**
Transfer to / (from) Contingency reserve	-	-	2,803,252	(2,803,252)	**-**
Balance at 31 December	**40,235,000**	**425,336**	**12,527,421**	**14,064,968**	**67,252,725**

Statement of Cash Flows

For the year ended 31 December 2016

	Notes	Dec-16 Gh¢	Dec-15 Gh¢
Reconciliation of Operating Income to Cash Flowfrom Operating Activities			
Profit before tax		25,755,360	18,895,087
Adjustments for:			
Depreciation Charges		1,629,159	1,236,196
Amortisation of Intangible Assets		75,328	257,313
Revaluation Gain on Investment Properties		(4,167,891)	-
Profit on Disposal of Assets		-	(87,550)
Investment Income		(30,066,226)	(20,488,183)
Operating Profit before working capital changes		(6,774,270)	(187,137)
Change in Amount due from Re-insurers		1,836,077	(2,493,472)
Change in Loans and Receivables		(484,988)	(144,526)
Change in Provision for Unearned Premium		8,668,260	6,510,873
Change in Insurance Claims Liabilities		11,596,672	6,545,350
Change in Creditors and Accruals		(1,897,254)	1,056,509
Change in Amount due to Re-insurers		2,247,315	(3,662,369)
Cash Inflow from Operating Activities		15,191,812	7,625,228
Return on Investment and Servicing of Finance			
Investment Income		30,066,226	20,488,183
Taxation			
Corporate Tax Paid		(5,250,087)	(1,182,775)
National Fiscal Stabilisation Levy Paid		-	(254,719)
Net Cash Inflow from Operating Activities		40,007,951	26,675,917
Investing Activities			
Acquisition of Property and equipment		(2,107,605)	(2,142,182)
Proceeds from Sale of property and equipment		-	99,900
Acquisition of Available-for-sale financial assets		(8,162,200)	(500,000)
Acquisition of Intangible Assets		(376,638)	-
Net cash flow from investing activities		(10,646,443)	(2,542,282)
Financing Activities			
Borrowing Repaid		-	(3,585,941)
Net cash flow from financing activities		-	(3,585,941)
Increase in Cash and Cash Equivalents		29,361,509	20,547,694
Cash and Cash Equivalents 1 January		92,823,549	72,275,855
Cash and Cash Equivalents 31 December	32	122,185,058	92,823,549

Notes to the Financial Statements
For the year ended 31 December 2016

1. General information

1.1 Corporate information

Star Assurance Company Limited, a company limited by shares was incorporated in Ghana under the Companies Act, 1963 (Act 179) and the Insurance Act 2006 (Act 724). The company is permitted by its regulations to carry on, inter alia, the business of non-life insurance business, including fire, motor, general accident, marine, travel and aviation. The registered office of the company is the First Floor of the Stanbic Heights Building, 215 South Liberation Link - Airport City, Accra - Ghana

1.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standard Board (IASB), as required by the Institute of Chartered Accountants (Ghana), the National Insurance Commission, per the Insurance Act 2006 (Act 724) and the Compnaies Act, 1963 (Act 179).

1.3 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs). Additional information required by the Companies Act, 1963 (Act 179) and the Insurance Act, 2006 (724) are included where appropriate. They have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are fair value through profit or loss; financial instruments classified as available-for-sale; investment properties and property, plant and equipment. The financial statements are presented in Ghana Cedis (Gh¢).

The principal effect of changing from Ghana Accounting Standards to IFRSs, including reconciliations between the IFRSs and Ghana Accounting Standards financial information are set out in note 37 to these financial statements.

2 . Application of new and revised International Financial Reporting Standards (IFRSs)

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The following new amendments to the existing standards issued by the International Accounting Standards Board are effective for current financial year:

2.1 IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).

"IFRS 9 "Financial Instruments" issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting

Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

2.2 IFRS 15 "Revenue from Contracts with Customers" and further amendments (effective for annual periods beginning on or after 1 January 2018).

IFRS 15 "Revenue from Contracts with Customers" issued by IASB on 28 May 2014 (on 11 September 2015 IASB deferred effective date of IFRS 15 to 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services.

2.3 IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

2.4 IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for annual reporting periods beginning on or after 1 January 2018)

"IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or payed at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.5 Amendments to IFRS 2 Share- Based Payments (effective for annual reporting periods beginning on or after 1 January 2018)

The IASB finalised three separate amendments to IFRS 2:
Effects of vesting conditions on the measurement of a cash-settled share-based payment
Until now, IFRS 2 contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.

Accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled

Until now, IFRS 2 did not specifically address situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The IASB has introduced the following clarifications:

- On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date.

- Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

"Classification of share-based payment transactions with net settlement features
IASB has introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

2.6 Amendments to IFRS 4 Insurance Contracts

The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;"

- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

2.6 Amendments to IFRS 4 Insurance Contracts

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

2.7 IFRS 7 Financial Instrument: Disclosures (effective for annual reporting periods beginning on or after 1 January 2017)

Disclosures about the initial application of IFRS 9

The following disclosures are required in the reporting period when IFRS 9 is first applied:

- changes in the classifications of financial assets and financial liabilities; and
- details of financial assets and financial liabilities which have been reclassified so that they are measured at amortised cost, including the fair value of the financial asset or liability at the end of the reporting period and the fair value gain or loss that would have been recognised in profit or loss during the reporting period if the financial asset had not been reclassified.

2.8 IFRS 12 Disclosure of Interests in Other Interests (effective for annual reporting periods beginning on or after 1 January 2017)

Investment Entities

This amendment clarifies which subsidiaries of an investment entity should be consolidated instead of being measured at fair value. The impact on whether the entities may be consolidated will result in changes in the disclosure requirements of IFRS 12 for subsidiaries.

2.9 IFRS 15 Revenue from Contracts with Customers (effective for annual reporting periods beginning on or after 1 January 2018)

To keep the IASB and FASB informed on interpretive issues occurring during implementation of the converged revenue recognition standard and to assist in determining what action may be needed to resolve diversity in practice, the Boards created the Joint Transition Resource Group for Revenue Recognition (TRG).

The discussions of the TRG highlighted potential diversity in stakeholders' understanding of some topics in IFRS 15. In response to this, the IASB made amendments to the following areas to clarify IFRS 15:

- Distinct goods or services
- Principal versus agent
- Licensing
- Determining the nature of the entities promise
- Sales-based usage- based royalties

3. Critical Accounting estimates and judgement

The preparation of financial statements in conformity with IFRSs requires Management to make judgement, certain critical accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and other factors that are reasonable under the circumstances, the results of which form the basis of making judgement about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the company will ultimately pay for such claims. For example insurance contracts are sold out to different insured who are exposed to diverse insurance risks.

3.2 Impairment of available-for-sale financial assets

The company assesses at each reporting date whether there is objective evidence that available-for-sale financial assets are impaired and impairment loss determined when the fair value of the asset is significantly less than its carrying amount shown in the books of the company. This determination of what is significant requires judgement. In making this judgement, the company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

3.3 Fair value of financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those that sourced them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own credit risk and counterparty risk), volatilities and correlations require management to make estimates.

3.4 Summary of significant accounting policies

The significant accounting policies adopted by the company under the International Financial Reporting Standards (IFRSs) are set out below:

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

3.4.1 Revenue recognition

• Insurance premium revenue

Premiums arising from insurance contracts are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before the deduction of premium payable to reinsurers and commissions payable to intermediaries but exclude cancellations and refunds.

• Commission income

Commission income consists primarily of reinsurance and profit commissions. Commission income is generally recognised on an accrual basis when the service has been provided.

3.4.1 Revenue recognition

• Interest income

Interest income for financial assets that are not classified as fair value through profit or loss is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

• Dividend income

Dividend income for Available-For-Sale Equities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

• Rental income

Rental income from Investment Properties is recognised on an accrual basis.

3.4.2 Insurance contracts

The Company undertakes non-life insurance contracts. An insurance contract is a contract under which the Company accepts significant insurance risk from insured (policyholder) by agreeing to compensate the insured if an uncertain future event (the insured event) occurs. The insurance contracts are broadly categorised into casualty, property and personal accident.

Under casualty insurance contracts, the company protects the policyholders against claims for causing harm to third parties as a result of legitimate activities of the policyholders.

Property insurance contracts mainly compensate policyholders for damage suffered to their properties or for the value of property lost or for the loss of earnings caused by the inability of the policyholder to use the insured properties in their business activities (business interruption cover).

Under personal accident insurance contracts, the Company mainly compensates the policyholders for bodily injuries suffered by them or their family members or employees.

The major lines of businesses involved in the above categories are motor, fire, marine and aviation and other accidents.

• Claims and loss adjustment expenses

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation payable to claimants when the insured event occurs. Claims incurred are expenses for the year which comprise; provision for claims reported during the year pending settlement; claims reported and settled in the year whether paid during the year or not; and a provision for claims incurred but not reported (IBNR).

Claims incurred are expenses for the year which comprise; provision for claims reported during the year pending settlement; claims reported and settled in the year whether paid during the year or not; and a provision for claims incurred but not reported (IBNR).

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 and include a provision for IBNR claims. 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 prior years.

• Liability adequacy test of insurance liabilities

An insurance liability is insurer's net contractual obligations under an insurance contract. At each reporting date, the Company performs a liability adequacy test on its insurance liabilities less related deferred acquisitions costs and intangible assets to ensure that the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant investment returns. If that assessment shows that the carrying amount of the liability is inadequate, any deficiency is recognised as an expense to the statement of comprehensive income initially by writing off the intangible assets and subsequently by recognising an additional liability for claims provision or recognising a provision for unexpired risks.

At each reporting date, liability adequacy tests are performed to ensure the adequacy of all insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss.

At each reporting date, liability adequacy tests are performed to ensure the adequacy of all insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss

Liability adequacy test in respect of claims is determined by taking the settled amount for each claim, agreed with the claimant. The sum insured is considered the best test for non-settled claims and 20% provision for estimated claims unreported at the reporting date.

• Receivables and payables related to reinsurance contracts

Receivable and payables arising from insurance and reinsurance contracts are recognised when due and measured at amortised cost using the effective interest rate method. These include amounts due to and from agents, brokers, policyholders and reinsurers. The Company assesses at each reporting date, whether there is any objective evidence that insurance receivable is impaired. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises that impairment loss in the statement of comprehensive income. Receivable is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after its initial recognition (a loss event) and that loss event has an impact on the estimated future cash flows which can be estimated reliably.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

• Salvage and subrogation

Some insurance contracts permit the Company to sell damaged property acquired in settling a claim known as salvage. The company assumes the right of ownership of the property after the related claim has been adjusted and settled to the mutual satisfaction of the company and the claimant.

Income from the salvage property is recognised at the point of sale. This is at the point where the inflow of the economic benefit embodiment becomes probable and can be measured reliably.

Under subrogation, the company may have the right to pursue third parties for payment of some or all cost of certain claims payable if it is proved beyond reasonable doubt that the third party caused the accident. Income from subrogation is recognised when the third party agrees to the amount recoverable or when a judgement is given in favour of the company.

3.4.3 Current taxation

The Company provides for income taxes at the current tax rates on its taxable profits. Current tax is the expected tax payable on the taxable income for the year using tax rates (and laws) that have been enacted or substantially enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

3.4.4 Deferred taxation

Deferred tax is the amount of income tax (tax asset or tax liability) recoverable or payable in future periods in respect of taxable temporary differences. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.4.5 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes the purchase prices of items of property, plant and equipment and directly attributable cost of acquisition.

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

Increase in the carrying amount arising on revaluation of asset is credited directly to equity under the heading of revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. On the other hand, a decrease in the carrying amount of an asset as a result of a revaluation is recognised in profit or loss. However, a decrease is debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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Each year, the difference between depreciation based on the revaluation carrying amount of the asset and depreciation based on the asset's original cost, net of any related deferred income tax, is transferred from the revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is computed using the straight-line method to allocate the depreciable amounts over the assets' useful lives, at the following annual rates:

- Motor Vehicle 25%
- Furniture and equipments 20%
- Computer Hardware 25%
- Freehold building 5%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognised in the statement of comprehensive income.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognised in the statement of comprehensive income.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in profit or loss. When revalued assets are sold, the amount included in the revaluation surplus is transferred to income surplus.

3.4.6 Investment Properties

Investment Properties are properties owned or leased by the Company which are held for long-term rental income and for capital appreciation other than properties held for use in the production or supply of service or for administrative purposes; or for sale in the ordinary course of business. Investment Property is measured initially at its cost including transaction costs. The initial cost of a property interest held under a lease and classified as an investment property is the lower of the fair value of the property and the present value of the minimum lease payments. After initial recognition, the Company measures its Investment Properties using the fair value model with which investment properties are measured at values that reflect market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment property are recognised in profit or loss for the year in which they arise.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Transfers from investment properties are made when the Company commences owner-occupation or commences development with a view to sale. And transfers to investment properties are made when the Company ends owner-occupation or commences an operating lease to another party. When the Company transfers investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 is its fair value at the date of change in use. On the other hand when the Company transfers previously occupied property to investment property it applies IAS 16 up to the date of change in use. The Company treats any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Investment properties are derecognised and eliminated from the statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss (unless IAS 17 requires otherwise on a sale and leaseback) in the period of the retirement or disposal.

3.4.7 Financial Assets and Financial Liabilities

• Categorisation of Financial Assets and Financial Liabilities
The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivable; available-for-sale financial assets; and held-to-maturity investments. Financial Liabilities are classified as either held at fair value through profit or loss, or amortised cost. Management determines the categorisation of its Financial Assets and Financial Liabilities at initial recognition.

• Financial Assets and Financial Liabilities at Fair Value through Profit or Loss
Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

• Held for trading
A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

• Designated at Fair Value through Profit or Loss
Upon initial recognition as financial asset or financial liability, it is designated by the Company as at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

• Loans and receivables
Loans and Receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market

• Available-For-Sale Financial Assets
Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

• Held-to-maturity investment

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

• Initial recognition of financial assets and financial liabilities

The Company recognises a Financial Asset or Financial Liability on its Statement of Financial Position when, and only when, it becomes a party to the contractual provisions of the instrument subject to the provisions in respect of regular way purchases or sales of a financial asset which state that, 'a regular way purchase or sale of financial assets is recognised and derecognised using either trade date or settlement date accounting'.

• Derecognition of financial assets and financial liabilities

Financial Assets are derecognised when the right to receive cash flows from the Financial Assets has expired or where the Company has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Company has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset.

A financial liability (or part of a financial liability) is removed from the Company's statement of financial position when, and only when, it is extinguished – ie when the obligation specified in the contract is: discharged; cancelled; or expired.

• Initial Measurement of Financial Assets and Financial Liabilities

When a financial asset or financial liability is recognised initially, the Company measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When the Company uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

• Subsequent Measurement of Financial Assets

After initial recognition, the Company measures financial assets, including derivatives that are assets, at their fair value, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets: loans and receivables, which shall be measured at amortised cost using the effective interest method; held-to-maturity investments, which shall be measured at amortised cost using the effective interest method; and investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

• Subsequent Measurement of Financial Liabilities

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for: financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which are measured at cost; and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

• Gains and Losses

The Company recognises a gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship as follows: a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss are recognised in profit or loss; a gain or loss on an available-for-sale financial asset are recognised directly in equity, through the statement of changes in equity except for impairment losses and foreign exchange gains and losses until the financial asset is derecognized, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss.

Interest calculated using effective interest method is recognised in profit or loss; dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established;

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

• Amortised Cost Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

• Fair value measurement

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or a financial liability is not actively traded or unlisted security, the Company establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

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The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors that market participants take into account when entering into a transaction. Management believe that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the statement of financial position.

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Notes to the Financial Statements (continued)
For the year ended 31 December 2016

• Offsetting

Financial Assets and Financial Liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expense are presented on the net basis only when permitted by the accounting standards or interpretation, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Income and expense are presented on the net basis only when permitted by the accounting standards or interpretation, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

• Impairment of Financial Assets

The Company assesses at each reporting date, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event) and that loss event(s) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

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i. financial difficulty of the issuer or the obligor;

ii. a breach of contract, such as a default or delinquency in interest or principal payment;

iii. the lender (the Company), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider;"

iv. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

v. the disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including:"

a. adverse changes in the payment status of borrowers in the group (eg an increased number of delayed payments); or

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

b. national or local economic conditions that correlate with defaults in the group (eg an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil companies, or adverse changes in the industry conditions that affect the borrowers in the group).

A provision for credit losses is established if there is objective evidence that the Company will be unable to collect all amounts due on a claim according to the original contractual term.

An allowance for credit loss is reported as a reduction in carrying value of a claim on the statement of financial position, whereas for an off-balance sheet item such as a commitment, a provision for credit loss is reported in other liabilities. Additions to provisions for credit losses are made through credit loss expense.

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Provision for credit losses is based on the following principles:

• Counterparty-specific
A claim is considered as a loss when management determines that it is probable that the Company will not be able to collect all amounts due according to the original contractual terms.

Individual credit exposures are evaluated based on the borrower's character, overall financial condition, resources and payment record, prospects of support from financially responsible guarantor and cash collaterals.

An impaired asset refers to an asset where there is no longer reasonable assurance of timely collection of the full amount of principal and interest due to deterioration in the credit quality of the counterparty. An asset is impaired if the estimated recoverable amount of an asset is less than its carrying amount shown in the books of the Company. Impairment is measured and a provision for credit losses is established for the difference between the carrying amount and its estimated recoverable value.

An impaired asset refers to an asset where there is no longer reasonable assurance of timely collection of the full amount of principal and interest due to deterioration in the credit quality of the counterparty. An asset is impaired if the estimated recoverable amount of an asset is less than its carrying amount shown in the books of the Company. Impairment is measured and a provision for credit losses is established for the difference between the carrying amount and its estimated recoverable value.

Estimated recoverable amount is measured by discounting the expected future cash flows at the effective interest rate inherent in the asset. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated, recoverable amounts may be measured at either:

- The fair value of any security underlying the assets, net of expected costs of recovery and any amount legally required to be paid to the borrowers; or

- The fair value of any security underlying the assets, net of expected costs of recovery and any amount legally required to be paid to the borrowers; or

- Observable market prices for the assets. Upon impairment the accrual of interest income based on the original terms of the claim is discontinued until the asset has been written down to its estimated recoverable amount. Interest income thereafter is recognised.

A write-off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established allowances for credit losses or directly to credit loss expense and reduce the principal amount of a claim.

3.4.8 Investments

Investments are recognised on a trade date basis and are classified as held-to-maturity or available-for-sale. Investments with fixed maturity dates, where management has both the intent and ability to hold to maturity are classified as held-to-maturity. Investments intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in the market, are classified as available-for-sale.

Investments are initially measured at cost. Available-for-sale investments are subsequently re-measured at fair value based on quoted prices. Fair values for unlisted securities are estimated using market values of the underlying securities or appropriate valuation methods.

Investments are initially measured at cost. Available-for-sale investments are subsequently re-measured at fair value based on quoted prices. Fair values for unlisted securities are estimated using market values of the underlying securities or appropriate valuation methods.

Held-to-maturity investments are carried at amortised cost less any provision for impairment. Amortised cost is calculated on the effective interest method.

3.4.9 Cash and Cash Equivalents

For the purposes of statement of cash flows cash and cash equivalents include cash, non-restricted balances with banks and other financial institutions, short-term highly liquid investments maturing in twelve months or less from the date of acquisition and bank overdrafts.

3.4.10 Dividends Distribution on Ordinary Shares

Dividends on ordinary shares distributed to the Company's shareholders are recognised in the statement of changes in equity as owner changes in equity in the year in which such dividends are approved by the shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes.
Interim dividends are recognised when paid.

3.4.11 Translation of Foreign Currencies

The Company's functional currency is the Ghana Cedi. In preparing the statement of financial position of the Company, transactions in currencies other than Ghana Cedis are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in shareholders' equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the shareholders' equity.

3.4.12 Leases

Leases are tested to determine whether the lease is finance or operating lease and treated accordingly.

• Finance leases
leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the lease property, plant and equipment and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included on other long term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at inception of the lease at the lower of the fair value of the lease property, plant and equipment and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included on other long term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

• Operating lease
leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Rentals payable under operating leases are charged to income statement on a straight- line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into operating lease are also spread on a straight-line basis over the lease term.

3.4.13 Provision

Provisions for restructuring costs, legal claims and similar events are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

3.4.14 Financial guarantee

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument. Financial guarantees are initially recognised at fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

3.4.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as non-current liabilities where the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowings are classified as non-current liabilities where the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.4.16 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets 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. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4.17 Employee benefits

• Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

Obligation for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income when they are due.

• Short-term benefits

Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment

Wages and salaries payable to employees are recognised as an expense in the statement of comprehensive income at gross. The Company's contribution to social security fund is also charged as an expense.

• Termination Benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably.

3.4.18 Events after the reporting date

The Company adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the reporting date.

Where there are material events that are indicative of conditions that arose after the reporting date, the Company discloses, by way of note, the nature of the event and the estimate of its financial effect, or a statement that such an estimate cannot be made.

3.4.19 Stated Capital

Ordinary Shares are classified as equity when there is no obligation to transfer cash or other assets. All shares are issued at no par value.

3.4.20 Contingency Reserve

In accordance with the industry's legal and regulatory frameworks, a contingency reserve is established and maintained in respect of each class of business, to cover fluctuations in securities and variations in statistical estimates. The Company maintains contingency reserve which is 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.

3.4.21 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring it to usable stage. These costs are amortised over their estimated useful lives. The current computer software acquired is amortised over five (5) years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads

4. Management of insurance and financial risks

The Company has exposure to the following risks from its underwriting activities and financial instruments:

i. Insurance Risk

ii. Financial Risks, namely: credit risk; liquidity risk; market risk; and operational risk.

This note presents information about the Company's exposure to each of the risks, the Company's objective, policies and processes for identifying, evaluating and mitigating such risks.

4.1 Insurance and Financial Risk Management Framework

The Board is ultimately responsible for the Company's risk management, and through its Committee on Risk Management has formally established an Enterprise Risk Management (ERM) framework with the aim of enabling management to effectively identify, evaluate and mitigate existing and emerging risks which can potentially prevent the company's ability to maximize stakeholders' value and achieve its business objectives. The framework establishes a culture of continuously strengthening the risk management processes by institutionalizing the elements of risk management into the flow of business processes which cascades into a dedicated Central Risk Management function.

The Board is ultimately responsible for the Company's risk management, and through its Sub-Committee on risk management has put in place:

i. Corporate strategic objectives to which management should align its risk management processes;

ii. The company's risk appetite and risk tolerance limits; and

iii. Executive Management Committee (EMC) on risk under the Chairmanship of the Managing Director (MD).

iv. Risk Management Department (RMD).

iv. Internal Audit

v. Quality Assurance

The company's risk governance structure consists of four main levels, namely the Board of Directors through its Committee on risk, Executive Management Committee on risk, Risk Management Department and Operational Units. At the third level are also Investment Team, Information Technology (IT) Strategy Committee and Audit and Investigation. The Board of Directors is responsible for setting the tone for risk management by:

i. Approving the business objective of the Company;

ii. Approving the ERM framework; and

iii. Giving directives to management on the basis of its decisions on risk management.

The Executive Management Committee (EMC) reports to the Board of Directors through the Board Committee on risk. The EMC is responsible for drawing up the ERM framework for the Boards approval. It also exercises oversight role on the risk management functions by ensuring that the Board's risk directives are adhered to.

The roles of the Risk Management Department include:

i. Review effectiveness of the risk management process throughout the company,

ii. Report directly to the Board Committee on Risk

iii. Facilitate communication within the operational units on common risk issues,

iv. Conduct risk assessment workshops to deepen the awareness of the need to assess risk and more importantly to manage risks in the company,

iv. Develop an underwriting directive manual with periodic reports to all stakeholders depicting among other areas like retention per risk, accumulation, underwriting limits, recoveries, tolerance limits, categorization of risk detailing basis to use i.e. sum insured probable maximum loss, estimated maximum loss, unacceptable risks etc.

The Internal Audit and Investigation also examines and expresses their opinion on the adequacy and compliance of risk control processes and makes recommendation for improvement.

The company's risks are assessed and reported on both quantitative and qualitative bases for control and decision making purposes.

4. Insurance Risk

Insurance risk arises from claims and underwriting profit experience being adversely different from those anticipated in the premiums rating and reinsurance programme. The insurance risks under any insurance contract are the risk of the insured event occurring and the uncertainty of the amount of the resulting claim. Essentially, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments may exceed the carrying amount of the insurance liabilities. This occurs when the frequency or severity of claims payments are greater than estimated. When accepting risks, the Company strictly follows its underwriting directive manual as well as the principle of professionalism and prudence.

To mitigate the uncertainty of timing and amount of claims liability, the Company identifies, assesses and manages certain potential risks such as mispricing, inadequate policy data, inadequate or ambiguous policy wordings, failure in claim settlement procedure, accumulation (insuring same event through various policyholders), inadequate reserving etc. To manage such risks effectively, adequate control mechanisms specifically designed to address each risk are spelt out in the company's Enterprise Risk Management programme.

Further mitigating measure taken by the company is to hedge against its risk by entering into reinsurance arrangements under facultative and treaty with reputable reinsurance companies. The reinsurance arrangements do not relieve the Company of its obligation to the policyholders. Hence if the reinsurer default on their obligations to the Company, this risk mitigation measure would be ineffective. As a result, the Company ensures that the financial conditions of reinsurers are reviewed annually and placements are carefully made with companies who are financially sound, credible and experienced in the industry.

The Underwriting Department further ensures that the Company is not exposed to concentration risk. The Department does this by identifying the various clientele segments within the insurance industry and their unique risk levels and assigning acceptable maximum loss to each segment. Among other criteria, this guides the Company to identify risks that should be ceded to reinsurers, retained or rejected entirely. The following table discloses the concentration of insurance liabilities by industry sector in which the policyholders operate and by the maximum insured loss limit (gross and net of reinsurance) that may arise from in-force insurance contracts if the loss event occurs.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

4.2.1 Maximum Insured Loss

	Fire Gh¢	Motor Gh¢	Accident Gh¢	Marine Gh¢	Travel Gh¢	Aviation Gh¢	Total Gh¢
As at 31 December 2016							
By currency:							
Ghana Cedi	4,113,291,906	625,482,918	4,370,277,834	-	41,292,000	-	**9,150,344,658**
US Dollar	5,489,634,945	470,995,934	8,541,849,130	2,621,308,500	-	1,577,250,000	**18,701,038,509**
GB Pound	1,119,386	441,000	379,260,000	-	-	-	**380,820,386**
Euro	177,981	13,534,168	68,273,719	26,000,000.00	-	-	**107,985,868**
	9,604,224,218	**1,110,454,020**	**13,359,660,683**	**2,647,308,500.00**	**41,292,000**	**1,577,250,000**	**28,340,189,421**
By geographical area:							
Accra Region	9,378,938,493	981,134,931	12,755,864,618	2,647,308,500.00	34,965,000	1,577,250,000	**27,375,461,542**
Other Regions	225,285,725	129,319,089	603,796,065	-	6,327,000	-	**964,727,879**
	9,604,224,218	**1,110,454,020**	**13,359,660,683**	**2,647,308,500.00**	**41,292,000**	**1,577,250,000**	**28,340,189,421**

Claims development table

The table below shows the development of claims settled over a period of 11 years on gross basis. The first colum of each year shows the amount settled in the loss year and the subsequent colum(s) show(s) the cumulative amount settled. The amounts are stated in Ghana Cedis (Gh¢).

4.2.2 Claims development table

Loss year	12	24	36	48	60	72	84	96	108	120	132
2006	264,245	605,008	1,023,465	1,386,727	1,544,696	1,633,096	1,669,296	1,701,371	1,701,371	1,701,371	1,701,371
2007	697,340	1,638,468	2,132,238	2,538,117	2,747,519	2,791,128	2,796,428	2,878,941	2,899,663	2,901,663	
2008	838,456	1,842,945	2,373,058	2,766,590	2,917,170	3,003,901	3,029,401	3,055,801	3,083,301		
2009	1,776,662	3,731,936	4,644,566	4,949,687	5,221,826	5,280,883	5,310,411	5,349,931			
2010	1,677,976	3,607,990	4,381,698	4,812,045	5,156,177	5,315,587	5,488,379				
2011	3,002,837	7,102,330	8,069,033	8,631,819	9,010,151	9,485,301					
2012	2,674,391	2,716,709	6,018,946	6,677,406	7,041,136						
2013	5,213,266	8,677,132	9,659,047	10,775,093							
2014	7,571,036	10,873,615	12,065,095								
2015	17,846,912	23,142,555									
2016	11,612,002										

4.3 Financial risk

In its normal course of business, the Company uses primary and secondary financial instruments such as cash and cash equivalents, equity securities, corporate and government debt securities, and receivables. These instruments expose the Company to financial risks such as credit risk, liquidity risk, market risk, and operational risk.

4.3.1 Credit Risk

Credit risk is the risk of financial loss to the Company if policyholders, intermediaries and reinsurers or counterparties to insurance asset or financial instrument fail to meet their contractual obligations.

The Company assesses the credit risk profile of the above parties and counterparties and limit its exposures to certain corporate entities, individuals or a group of them. Such risks are regularly reviewed by the Risk Management Department (RMD) and limits on the level of credit risk reviewed and approved by the Board of Directors through its Committee on Risk Management.

The objectives of the Credit Control Department include daily monitoring of cash inflows from premium receivable from retail, corporate and broker clients.

A portfolio impairment provision is held to cover the inherent risk of losses, which although not identified, are known through experience to be present in any asset portfolio. The portfolio impairment provision is set with reference to the past experience and judgmental factors such as the economic environment and the trends in key portfolio indicators.

Set out below is an analysis of various credit exposures of insurance assets that are neither past due nor impaired, the ageing of assets that are past due but not impaired and assets that have been impaired:

Insurance assets that are neither past due nor impaired, past due but not impaired and impaired are summarised as follows:

	Receivables arising from reinsurance contracts	
	Dec-16 Gh¢	Dec-15 Gh¢
Neither past due nor impaired	**5,455,171**	7,291,248
Up to 30 days	**1,636,551**	2,187,374
31 to 60 days	**1,091,034**	1,458,250
61 to 90 days	**545,517**	729,125
Over 90 days	**2,182,069**	2,916,499
	5,455,171	7,291,248

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

4.3.2 Liquidity Risk

Liquidity risk is the possibility of the Company not being able to meet its financial obligations as and when they fall due. This could arise if it is difficult to convert other assets to cash, or when there are unexpected large claim obligation or when there is a serious timing mismatch between cash collection and disbursement or when there is a decline in cash inflow due to reduced premium production coupled with high commitment cost.

It is the policy of the Company to maintain adequate liquidity at all times, and for all currencies so as to be in a position to meet all obligations (including claims payments) as and when they fall. Again, the Company strictly follows the solvency regulatory framework drawn up by the National Insurance Commission (NIC) which has the objective of, among others, ensuring appropriate asset spread, good yield, and safety of the investments of insurance companies as well as ensuring appropriate asset liability matching.

Maturity period analysis of Debts Securities held by the company is as follows:

	Dec-16 Gh¢	Dec-15 Gh¢
Maturing within 91 days	**28,399,608**	354,257
Maturing within 182 days	**78,174,450**	70,778,721
Maturing within 365 days	**10,232,296**	16,075,522
Totals	**116,806,354**	87,208,500

4.3.3 Market Risk

The Company recognises market risk as the exposure created by potential changes in market prices and rates. The Company is exposed to market risk arising principally from client driven financial transactions, and investing activities.

Market risk is governed by the Company's EMC subject to the Board of directors' approval of policies, procedures and levels of risk appetite. The EMC provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Company.

The RMD also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate.

Market risk is governed by the Company's Executive Management Committee (EMC) subject to the Board of directors' approval of policies, procedures and levels of risk appetite. The EMC provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Company.

The Risk Management Department (RMD) also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate.

4.3.4 Foreign exchange exposure

The Company's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from client driven transactions. Most of the company's transactions

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

are denominated in US Dollars, Euros and Pound Sterling in addition to the Cedi. Though the company does not hedge foreign exchange exposure, it monitors constantly the assets and liabilities denominated in foreign currencies to address any mismatch as and when it occurs. Concentration of foreign currency denominated assets and liabilities are disclosed below.

Currency exposure at year-end in cedi-equivalents of the following major foreign currencies at 31 December 2016:

	USD Gh¢	GBP Gh¢	Euro Gh¢
Assets			
Due from reinsurers	1,450,625	23,528	150,903
Cash & cash equivalents	3,113,345	269,237	198,002
Available For Sale Equity Investment	15,166,600	-	-
Investment Properties	7,047,936	1,610,677	-
	26,778,506	**1,903,442**	**348,905**
Liabilities			
Due to reinsurers	1,413,892	59,202	594,071
	1,413,892	59,202	594,071

Sensitivity analysis

The Company used 5% average rate of change in foreign exchange to demonstrate the effect of changes in foreign exchange rates on profit before tax and shareholders' fund. At the reporting date, the Company's sensitivity to a 5% increase and decrease in the value of the cedi against the United States Dollar (US$) is analysed below:

	Dec-16 Gh¢	Scenario 1 5% increase Gh¢
Profit after tax	**25,755,360**	1,287,768
Shareholders' fund	**86,773,375**	901,438

The Company's assets denominated in foreign currencies far outweigh its foreign currency denominated liabilities. So it tends to gain on foreign exchange when exchange rates increase. From the above scenarios, if management takes no actions, increase in exchange rates by 5% would increase profit before tax for the year and shareholders' fund by Gh¢1,287,768 and Gh¢901,438 respectively , while a decrease in exchange rates by 5% would decrease profit before tax for the year and shareholders' fund by the same amounts.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

4.3.5 Interest Rate Exposure

The Company's interest rate exposure arises from investments with fixed maturities such as corporate and government debt securities reported at fair value. Changes in interest rate will have an immediate effect on the Company's comprehensive income and the shareholders' fund. The Company's approach to managing interest rate risk is the maintenance of highly liquid short-term investment portfolio. The Company monitors the investment portfolio closely to redirect investments to investment vehicles with high returns.

4.3.6 Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Company seeks to ensure that key operational risks are identified and managed in a timely and effective manner. The ultimate responsibility of operational risk management rests with the Board of Directors. It is the Board's oversight responsibility to ensure that there is an effective and integrated Operational Risk Management framework with clearly defined roles and responsibilities. The Internal Audit Department constantly monitors the company's internal processes, people and systems to ascertain its effectiveness to address its operational needs such as the effectiveness of management in identification of operational risks, estimation of the significance of the risks, assessment of the likelihood of the occurrence of such risks, and actions taken to manage them.

4.3.7 Capital Management

The company's objectives when managing capital which is broader concept than the equity on the statement of financial position are:

i. To comply with the capital and solvency requirements as set out in the Insurance Act 2006 (Act 724);

ii. To provide adequate returns by pricing insurance and investment contracts in commensuration with risks assumed;

iii. To guarantee the company's ability to operate as a going concern and continually provide returns to shareholders and benefit to other stakeholders.

The Insurance Act 2006 (724) requires non-life insurance companies to hold a minimum level of paid up capital of US$1.0 million. It also requires non-life insurance companies to maintain solvency margin with which the company's assets must be at least 150% of its liability at all times.

Management monitors the company's capital adequacy and solvency margin regularly to ensure their continuous compliance.

The company's paid up capital at the end of the year 2016 was GH¢40,235,000 (December 2015 - GH¢40,235,000). The table below shows the summary of solvency margin of the company at the end of the year 2016.

	Dec-16	Dec-15
Available Capital Resources (Gh¢)	**66,803,484**	49,178,747
Solvency Capital Required (Gh¢)	**18,862,328**	14,158,399
Capital Adequacy Ratio	**354%**	347%

5. Operating segment

Performance analysis of reportable segment regularly provided for decision making and reconciliation of total reportable segment revenues, profit or loss to corresponding amount in the financial statements:

	FIRE Gh¢	MOTOR Gh¢	ACCIDENT Gh¢	MARINE Gh¢	TRAVEL Gh¢	AVIATION Gh¢	MICROINS. Gh¢	TOTAL Gh¢
Dec-16								
Underwriting Income								
Insurance premium revenue	18,884,262	51,996,931	36,442,929	11,262,419	993,211	1,564,540	341,529	**121,485,821**
Insurance premium ceded to reinsurers	(14,433,966)	(1,574,952)	(17,966,661)	(10,568,546)	(64,260)	(1,428,126)	-	**(46,036,511)**
Premium Retained	4,450,296	50,421,979	18,476,268	693,873	928,951	136,414	341,529	**75,449,310**
Less Unearned Premium Provision	139,378	(7,363,714)	(1,143,193)	(309,039)	(82,775)	91,083	-	**(8,668,260)**
Net insurance premium revenue	4,589,674	43,058,265	17,333,075	384,834	846,176	227,497	341,529	**66,781,050**
Ceding commission earned	2,723,811	278,345	3,714,786	895,625	-	185,076	-	**7,797,643**
Claims and loss adjustments recovered	249,429	861,133	174,490	137,786	-	270,000	-	**1,692,838**
Net underwriting income	7,562,914	44,197,743	21,222,351	1,418,245	846,176	682,573	341,529	**76,271,531**
Underwriting Expenses								
Agency commission incurred	4,102,376	8,874,558	6,198,888	276,107	113,298	44,702	88,555	**19,698,484**
Claims and loss adjustment expense	1,808,820	25,777,315	3,219,099	126,465	366,621	297,131	236,555	**31,832,006**
Operating Expenses	5,485,536	15,104,165	10,586,009	3,271,528	288,510	454,470	88,555	**35,278,773**
	11,396,732	49,756,037	20,003,996	3,674,100	768,429	796,303	413,665	**86,809,263**
Underwriting Profit / (Loss)	(3,833,818)	(5,558,295)	1,218,355	(2,255,855)	77,747	(113,730)	(72,136)	**(10,537,732)**
Investment income	-	-	-	-	-	-	-	**30,066,226**
Other Income	-	-	-	-	-	-	-	**6,665,486**
Finance Cost	-	-	-	-	-	-	-	**(438,620)**
Profit before tax	-3,833,818	-5,558,295	1,218,355	-2,255,855	77,747	-113,730	-72,136	**25,755,360**

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

	FIRE Gh¢	MOTOR Gh¢	ACCIDENT Gh¢	MARINE Gh¢	TRAVEL Gh¢	AVIATION Gh¢	MICROINS. Gh¢	TOTAL Gh¢
Dec-15								
Underwriting Income								
Insurance premium revenue	15,206,509	35,509,968	35,779,356	3,409,903	761,879	1,944,666	513,913	**93,126,194**
Insurance premium ceded to reinsurers	(10,446,481)	(1,451,798)	(19,843,518)	(3,128,082)	(16,872)	(1,605,848)	-	**(36,492,599)**
Premium Retained	4,760,028	34,058,170	15,935,838	281,821	745,007	338,818	513,913	**56,633,595**
Less Unearned Premium Provision	304,421	(4,536,308)	(2,264,996)	222,980	(84,500)	(152,470)	-	**(6,510,873)**
Net insurance premium revenue	5,064,449	29,521,862	13,670,842	504,801	660,507	186,348	513,913	**50,122,722**
Ceding commission earned	3,991,644	470,711	4,284,029	200,441	-	361,316	-	**9,308,141**
Claims and loss adjustments recovered	3,251,026	4,763,476	208,989	-	24,644	155,400	-	**8,403,535**
Net underwriting income	12,307,119	34,756,049	18,163,860	705,242	685,151	703,064	513,913	**67,834,398**
Underwriting Expenses								
Agency commission incurred	2,659,024	6,495,830	5,556,203	339,534	137,320	-	154,174	**15,342,085**
Claims and loss adjustment expense	7,133,893	20,331,220	1,023,769	8,371	521,609	155,400	288,205	**29,462,467**
Management Expenses	1,960,574	7,195,749	8,422,489	862,951	157,200	531,258	531,258	**19,661,479**
	11,753,491	34,022,799	15,002,461	1,210,856	816,129	686,658	973,637	**64,466,031**
Underwriting Profit / (Loss)	553,628	733,250	3,161,399	(505,614)	(130,978)	16,406	(459,724)	**3,368,367**
Investment income	-	-	-	-	-	-	-	**20,488,183**
Other Income	-	-	-	-	-	-	-	**4,304,839**
Finance Cost	-	-	-	-	-	-	-	**(395,795)**
Profit before tax	-	-	-	-	-	-	-	**27,765,594**

6. The insurance premium revenue (including direct and reinsurance), a portion ceded out and the portion retained are analysed in the main lines of the Company's business as follows:

	Direct premium income Gh¢	Reinsurance Premium Income Gh¢	Gross Written Premium Gh¢	Adjustment in unearned premium Gh¢	Insurance premium revenue Gh¢	Reinsurance cost Gh¢	Total Gh¢
Dec-16							
Fire	**17,805,770**	**1,078,492**	**18,884,262**	**139,378**	**19,023,640**	**(14,433,966)**	**4,589,674**
Motor	**51,814,711**	**182,220**	**51,996,931**	**(7,363,714)**	**44,633,217**	**(1,574,952)**	**43,058,265**
Accident	**35,973,297**	**469,632**	**36,442,929**	**(1,143,193)**	**35,299,736**	**(17,966,661)**	**17,333,075**
Marine	**11,217,932**	**44,487**	**11,262,419**	**(309,039)**	**10,953,380**	**(10,568,546)**	**384,834**
Travel	**993,211**	**-**	**993,211**	**(82,775)**	**910,436**	**(64,260)**	**846,176**
Aviation	**1,564,540**	**-**	**1,564,540**	**91,083**	**1,655,623**	**(1,428,126)**	**227,497**
Microinsurance	**341,529**	**-**	**341,529**	**-**	**341,529**	**-**	**341,529**
	119,710,990	**1,774,831**	**121,485,821**	**-8,668,260**	**112,817,561**	**-46,036,511**	**66,781,050**
Dec-15							
Fire	14,375,679	830,830	15,206,509	304,421	15,510,930	(10,446,481)	**5,064,449**
Motor	35,362,575	147,393	35,509,968	(4,536,308)	30,973,660	(1,451,798)	**29,521,862**
Accident	35,254,930	524,426	35,779,356	(2,264,996)	33,514,360	(19,843,518)	**13,670,842**
Marine	3,370,616	39,287	3,409,903	222,980	3,632,883	(3,128,082)	**504,801**
Travel	761,879	-	761,879	(84,500)	677,379	(16,872)	**660,507**
Aviation	1,944,666	-	1,944,666	(152,470)	1,792,196	(1,605,848)	**186,348**
Microinsurance	513,913	-	513,913	-	513,913	-	**513,913**
	91,584,258	1,541,936	93,126,194	(6,510,873)	86,615,321	(36,492,599)	**50,122,722**

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

	Dec-16 Gh¢	Dec-15 Gh¢
7. Reinsurance commission		
Fire	**2,723,811**	3,991,644
Motor	**278,345**	470,711
Accident	**3,714,786**	4,284,029
Marine	**895,625**	200,441
Aviation	**185,076**	361,316
Total	**7,797,643**	9,308,141

	Dec-16 Gh¢	Dec-15 Gh¢
8. Investment income		
Interest on Short Term Investments	**30,021,030**	20,457,531
Dividends on Listed Equities	**45,196**	30,652
	30,066,226	20,488,183
9. Other income		
Unrealised Fair Value Gains on Investment Property	**4,167,891**	-
Interest on Staff Loan	**102,256**	79,836
Profit on Disposal	**-**	87,550
Premium Recoveries	**1,890,061**	3,104,889
Other Sundry Income	**307,250**	259,250
Exchange Gain	**198,028**	773,314
	6,665,486	4,304,839

	Dec-16 Gh¢	Dec-15 Gh¢
10. Commission expense	**4,102,376**	2,659,024
Fire	**8,874,558**	6,495,830
Motor	**6,198,888**	5,556,203
Accident	**276,107**	339,534
Marine	**113,298**	137,320
Travel	**44,702**	-
Aviation	**88,555**	154,174
Microinsurance		
	19,698,484	15,342,085

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

11. Claims and loss adjustment expenses

	Dec-16 Gh¢	Dec-15 Gh¢
Settled during the year	**19,729,228**	23,135,189
Increase in reserves	**12,102,778**	6,327,278
Gross Claims Expense	**31,832,006**	29,462,467

12. Operating expenses

These include:

	Dec-16 Gh¢	Dec-15 Gh¢
Auditors' Remuneration	**70,000**	60,000
Directors' Remuneration	**224,824**	200,000
Depreciation	**1,629,159**	1,236,196
Donations	**73,836**	67,185
Claims Handling Expenses	**2,426,100**	1,903,210

13. Finance cost

	Dec-16 Gh¢	Dec-15 Gh¢
Lease Rental	**333,759**	333,759
Finance charges	**104,861**	62,036
	438,620	395,795

14. Taxation

14.10 Income tax expense

	Dec-16 Gh¢	Dec-15 Gh¢
Current tax (See note 14.3)	**5,689,617**	3,409,180
Deferred tax charge/(credit) (See note 31)	**(822,217)**	524,893
	4,867,400	3,934,073

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

14.20 Reconciliation of Effective Tax

The tax charge based on the Company's profit before tax differs from the hypothetical amount that would arise using the statutory income tax rate. This is explained as follows:

	Dec-16 Gh¢	Dec-15 Gh¢
Profit before taxation	**25,755,360**	18,895,087
Tax at applicable tax rate at 25% (December 2015: 25%)	**6,438,840**	4,723,772
Dividend taxed at 8%	**0**	2,452
Tax impact of non-deductible expenses	**609,348**	637,014
Tax impact of non-chargeable income	**(1,053,272)**	(1,730,294)
Tax impact of capital allowances	**(274,518)**	(158,314)
Capital gains tax at 15%	**0**	13,125
Tax rebates	**(30,780)**	(78,575)
Deferred Tax	**(822,217)**	524,893
Income Tax Expense	**4,867,400**	3,934,073
Effective tax rate	**18.90%**	20.82%

14.30 Company income tax

	Balance at 1 Jan. Gh¢	Payments and credits Gh¢	Charge for the year Gh¢	Balance at 31 Dec. Gh¢
Year of Assessment				
Corporate Tax 2015	2,316,758	-	-	2,316,758
Corporate Tax 2016	-	(5,250,087)	5,689,617	439,530
	2,316,758	(5,250,087)	5,689,617	2,756,288

15. Property, plant & equipment

	Land and Buildings Gh¢	Motor Vehicles Gh¢	Office Furn. & Equipment Gh¢	Bungalow Furn. & Equipment Gh¢	Computer Hardware Gh¢	Library Books Gh¢	Total Gh¢
Cost/Revaluation							
Balance at 01/01/16	582,655	2,178,451	2,972,317	245,627	706,052	1,368	6,686,470
Additions	-	720,000	942,833	18,480	426,292	-	2,107,605
Balance at 31/12/16	**582,655**	**2,898,451**	**3,915,150**	**264,107**	**1,132,344**	**1,368**	**8,794,075**
Depreciation							
Balance at 01/01/16	133,204	1,241,368	1,139,540	196,248	391,387	1,367	3,103,114
Charge for the year	11,495	598,288	752,223	26,739	240,414	-	1,629,159
Balance at 31/12/16	**144,699**	**1,839,656**	**1,891,763**	**222,987**	**631,801**	**1,367**	**4,732,273**
Carrying Amount At 31/12/16	**437,956**	**1,058,795**	**2,023,387**	**41,120**	**500,543**	**1**	**4,061,802**

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

15. Property, Plant & Equipment (Continued)

	Land and Buildings Gh¢	Motor Vehicles Gh¢	Office Furn. & Equipment Gh¢	Bungalow Furn. & Equipment Gh¢	Computer Hardware Gh¢	Library Books Gh¢	Total Gh¢
Cost/Revaluation							
Balance at 01/01/15	582,655	1,286,501	2,026,038	236,887	460,239	1,368	4,593,688
Additions	-	941,350	946,279	8,740	245,813	-	2,142,182
Disposals	-	(49,400)	-	-	-	-	(49,400)
Balance at 31/12/15	**582,655**	**2,178,451**	**2,972,317**	**245,627**	**706,052**	**1,368**	6,686,470
Depreciation							
Balance at 01/01/15	121,704	802,373	558,858	172,125	247,541	1,367	1,903,968
Charge for the year	11,500	476,045	580,682	24,123	143,846	-	1,236,196
Disposals	-	(37,050)	-	-	-	-	(37,050)
	133,204	**1,241,368**	**1,139,540**	**196,248**	**391,387**	**1,367**	**3,103,114**
Balance at 31/12/15 At 31/12/15	**449,451**	**937,083**	**1,832,777**	**49,379**	**314,665**	**1**	**3,583,356**

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

16. Intangible assets

	Computer software licences Gh¢	Deferred expense Gh¢	Dec-16 Gh¢ Total Gh¢
Cost			
Balance at 1 January 2015	936,441	292,492	**1,228,933**
Additions	-	-	**-**
Balance at 31 December 2015	936,441	292,492	**1,228,933**
Movements in 2016:	376,638	-	**376,638**
Additions			
	1,313,079	**292,492**	**1,605,571**
Balance at 31 December 2016			
Accumulated amortisation and impairment:			
Balance at 1 January 2015			
Amortisation and impairment during the year	791,206	180,414	**971,620**
Balance at 31 December 2015	145,235	112,078	**257,313**
Movements in 2016:	936,441	292,492	**1,228,933**
Amortisation and impairment during the year			
	75,328	-	**75,328**
Balance at 31 December 2016			
	1,011,769	**292,492**	**1,304,261**
Carrying amount at 31 December 2016			
Carrying amount at 31 December 2015	301,310	-	**301,310**
	-	-	**-**

17. Investment Property

	Dec-16 Gh¢	Dec-15 Gh¢
Balance at 1 January	**4,490,724**	4,490,724
Revaluation	**4,167,891**	-
Balance at 31 December	**8,658,615**	4,490,724

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Fair value measurement of investment properties

The company's fair value policiy is as stated in Note 3.4.7
The fair value of investment property as at 31 December 2016 has been arrived at on the basis of a valuation carried out by Messrs Assenta Property Consulting, independent valuers not related to the company. Messrs Assenta Property Consulting are members of the Ghana Institution of Surveyors, and they have appropriate qualifications and recent experience in the valuation of properties in Ghana. The fair value was determined based on the ""Depreciated Replacement Cost"" method. Cost data on properties of similar constructions were gatheredand analysed to determine the appropriate cost rate for the subject property to obtain the gross replacement cost of the building. Allowance is made for functional, physical and economic obsolescence to arrive at the net depreciated replacement cost. The value of the land, which has been determined through Comparative Method of valuation, is added to arrive at the Market Value of the property.

Some key consideration used for the valuation have been summarised as follows:

a. that vacant possession is provided

b. that all the required valid planning permissions and statutory approvals for buildings and for their use, including any extensions, have been obtained and complied with

c. that the property is not subject to any unusual or especially onerous encumbrances or outgoings and that good title has been shown

d. that no deterious or hazardous materials or techniques have been used, that there is no contamination in or from the ground, and it is not land filled ground

e. that the property and its value are unaffected by any matter which would be revealed by local search and replies to usual enquiries, or by a stutory notice.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

18. Available-for-sale financial assets

a) Available-for-Sale Equity Investments

	Listed Equity Securities Gh¢	Equity Securities Gh¢	Dec-16 Gh¢ Total Gh¢
Balance at 1 January 2015	914,106	7,122,908	**8,037,014**
Changes in 2015:			
Acquisition	-	500,000	**500,000**
Revaluation	(182,780)	34,525	**(148,255)**
Balance at 31 December 2015	731,326	7,657,433	**8,388,759**
Changes in 2016:			
Acquisition	-	8,162,200	**8,162,200**
Revaluation	(79,541)	-	**(79,541)**
Balance at 31 December 2016	**651,785**	**15,819,633**	**16,471,418**
Balance at 31 December 2015	765,851	7,622,908	**8,388,759**

Sensitivity Analysis

The company is exposed to equity securities price risk because of investments in quoted and unquoted shares classified as Available-for-Sale. An average market prices change of 5% will impact the statement of financial position to the tune of Gh¢823,571

b. Available-for-Sale Reserve

	Dec-16 Gh¢	Dec-15 Gh¢
Balance at 1 January	**425,336**	573,591
Revaluation of Equity Investments	**(79,541)**	(148,255)
Balance at 31 December	**345,795**	425,336

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

19. Other receivables

	Dec-16 Gh¢	Dec-15 Gh¢
Staff Debtors	**2,247,062**	1,921,156
Agency Loan	**5,775**	-
Directors' Account	**190,671**	190,671
Prepayments & Deposits	**1,959,375**	1,305,031
Sundry Debtors	**16,881**	537,568
Current Account with Life	**2,373**	2,373
National Reconstruction Levy	**1,950**	1,950
Staff Welfare Cont	**-**	397
National Insurance Commission	**62,561**	79,685
Ecowas Brown Card Levy	**37,171**	-
	4,523,819	4,038,831

a. The maximum amount owed by staff to the Company did not at any time during the year exceed Gh¢2,247,062 (December 2015 - Gh¢1,921,156).

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

20. Available-for-sale debt investments

	Dec-16 Gh¢	Dec-15 Gh¢
Government Securities	**434,585**	354,257
Fixed Deposits	**115,783,764**	86,391,369
Statutory Deposit	**588,005**	462,874
	116,806,354	87,208,500

Sensitivity Analysis

Fixed interest rate financial instruments carried at fair value expose the company to fair value interest rate risk. Variable interest rate financial instruments expose the company to cash flow interest rate risk.

Investment contracts with fixed and guaranteed terms, government securities and deposits with financial institutions held to maturity are accounted for at amortised cost and their carrying amounts are not sensitive to changes in the level of interest rates.

21. Cash and bank balances

	Dec-16 Gh¢	Dec-15 Gh¢
Cash on Hand	**16,380**	212,472
Cash at Bank	**5,362,324**	5,402,577
	5,378,704	5,615,049

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

22. Stated capital

	Dec-16 No. of Shares ('000)		Dec-15 No. of Shares ('000)
Authorised Ordinary Shares of no par value.	**100,000,000**		100,000,000
Issued Ordinary Shares of no par value fully paid for	**3,295,000**		3,295,000

	Number of shares	Proceeds Gh¢	Number of shares	GH¢
Balance at 1 January	**3,295,000,000**	**40,235,000**	1,895,000,000	12,235,000
Issue of shares	**-**	**-**	1,400,000,000	28,000,000
	3,295,000,000	**40,235,000**	3,295,000,000	40,235,000

Other disclosures required by the Companies Code.

	Number of shares	Proceeds Gh¢	Number of shares	GH¢
Issue for Cash	**3,295,000,000**	**40,235,000**	1,800,242,393	21,982,626
Issue Other than Cash Consideration	**-**	**-**	569,202,713	6,950,492
Transfer from Income Surplus	**-**	**-**	925,554,894	11,301,882
	3,295,000,000	**40,235,000**	3,295,000,000	40,235,000

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

24. Contingency reserves

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.

25. 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.

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

26. Insurance Claims Liabilities

	Dec-16 Gh¢	Dec-15 Gh¢
Settled but Outstanding	**1,387,761**	1,893,868
Outstanding Claims Reserve	**24,117,414**	12,014,635
	25,505,175	13,908,503
Movement in total claims liability		
Claims Outstanding at January 1	**13,908,503**	7,363,153
Additional Claims Provision	**12,102,778**	6,327,279
Claims Settled during the year	**19,729,229**	22,846,984
Cash paid during the year	**(20,235,335)**	(22,628,913)
Balance at 31 December	**25,505,175**	13,908,503

Claims Liabilities by Product

	Settled but Outstanding Gh¢	Reported but not settled Gh¢	Incurred but not reported Gh¢	Total Gh¢
Dec-16				
Fire	-	1,227,610	118,664	1,346,274
Motor	1,387,761	8,677,125	9,886,867	19,951,753
Accident	-	2,723,253	884,307	3,607,560
Marine	-	153,688	30,738	184,426
Travel	-	316,346	98,816	415,162
Balance at 31 December	**1,387,761**	**13,098,022**	**11,019,392**	**25,505,175**
Dec-15				
Fire	-	876,134	53,227	929,361
Motor	1,893,868	5,027,457	3,663,891	10,585,216
Accident	-	895,894	934,179	1,830,073
Marine	-	189,969	37,994	227,963
Travel	-	9,075	326,815	335,890
Balance at 31 December	1,893,868	6,998,529	5,016,106	13,908,503

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Sensitivity Analysis

Claims estimation is based on the following parameters:

a. the general price levels or inflationary trends within the economy

b. the rate of currency depreciation as significant portion of risk underwritten are quoted in foreign currencies

c. the awareness level of the insuring public and their rights to claim under insurance contracts

d. the general level of risk conciousness of the population

The impact of a 5% average change in the above parameter will result in a change to the tune of Gh¢1,275,259 positive or negative in the statement of financial position, depending on the direction of the change.

27. Provision for unearned premium

	Dec-16 Gh¢	Dec-15 Gh¢
Balance at 1 January	25,338,406	18,827,533
Additional Provision	8,668,260	6,510,873
Balance at 31 December	34,006,666	25,338,406

28. Creditors and accruals

	Dec-16 Gh¢	Dec-15 Gh¢
Commission Payable	879,404	908,676
Witholding Tax	1,024,816	2,193,128
Current Account with Star Microinsurance	154,776	82,640
Accruals	780,762	541,270
Sundry Creditors	2,298,379	3,309,677
	5,138,137	7,035,391

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

29. National fiscal stabilization levy

	Balance at 1 Jan.'16 Gh¢	Payments during the year Gh¢	Charge for the year Gh¢	Balance at 31 Dec.'16 Gh¢
Year of Assessment				
		-	-	858,764
2015	858,764	-	1,287,768	1,287,768
2016	-			
	858,764	-	1,287,768	2,146,532

This is a levy of 5% of accounting profit before tax for the year. This was suspended in 2012, but re-introduced in July 2013. It is payable to the Commissioner of Ghana Revenue Authority under the National Fiscal Stabilization Levy Act, 2009 (Act 785).

30. Borrowings

	Dec-16 Gh¢	Dec-15 Gh¢
Bank loan	**829,807**	829,807
Due within 12 months	**829,807**	829,807
Movement in borrowing is as follows:		
Balance at 1 January		
Repayment	**829,807**	4,415,748
	-	(3,585,941)
Balance at 31 December		
	829,807	829,807

This represents loan of GH¢1.5 million obtained from uniBank Ghana Limited with interest rate of 14.5% per annum.

31. Deferred tax

31.1 The movement on the deferred tax account is as follows:

	Dec-16 Gh¢	Dec-15 Gh¢
Balance at 1 January	**1,170,362**	645,469
Origination / reversal of temporary differences:	**(822,217)**	
recognised in the income statement		524,893
Balance at 31 December	**348,146**	1,170,362

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

32. Analysis Of Cash And Cash Equivalents

	Dec-16 Gh¢	Dec-15 Gh¢
Cash and Bank Balances (Note 21)	**5,378,704**	5,615,049
Short term Investments (Note 20)	**116,806,354**	87,208,500
	122,185,058	92,823,549

33. Contingent liabilities

There were no contingent liabilities as at the year end December 31, 2016 (2015 - Nil)

34. Capital commitments

There were no material capital commitments as at the year end December 31, 2016 (2015 - Nil)

35. Capital commitments

No significant event occurred after the end of the reporting date which is likely to affect these financial statements

36. Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 31 December 2016, the company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the company due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The carrying amount of the company's financial assets as stated in the statement of financial position best represents their respective maximum exposure to credit risk.

	Dec-16 Gh¢	Dec-15 Gh¢
Amount due from Reinsurers	**5,455,171**	7,291,248
Other Receivables	**4,523,819**	4,038,831
Available-for-sale Debt Investment	**116,806,354**	87,208,500
	126,785,344	98,538,579

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

The company holds no collateral over any of these balances.

"In order to minimise credit risk, the Risk Management Unit of the company regularly reviews the credit risk profile of counterparties and limit its exposures to certain corporate entities, individuals or a group of them. Such limits on the level of credit risk are also regularly reviewed and approved by the Board of Directors through its Committee on Risk.

37 Exposure to liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the maturity profile of the company's financial assets and financial liabilities:

	Due within 91 days Gh¢	Due within 182 days Gh¢	Due within 365 days Gh¢	Due after 365 days Gh¢
Dec-16				
Financial Assets:				
Amount due from Reinsurers	1,636,551	2,727,585	1,091,034	-
Other Receivables	452,382	678,573	1,357,146	1,809,528
Available-for-sale Debt Investment	28,399,608	78,174,450	10,232,296	-
Cash and Bank Balances	5,378,704	-	-	-
	35,867,245	81,580,608	12,680,476	1,809,528
Financial Liabilties:				
Amount due to Reinsurers	2,491,841	1,661,227	-	-
Claims Liabilities	2,697,563	7,858,813	6,133,285	8,815,514
Borrowings	829,807	-	-	-
Creditors and Accruals	5,130,887	-	-	-
Tax Liability	4,994,583	-	-	627,913
	16,144,681	9,520,040	6,133,285	9,443,427
Net Liquidity position at December 31	19,722,564	72,060,568	6,547,191	7,633,899

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

38. Related party transactions

HODA Holdings incorporated in Ghana, owns 99.99% of the issued ordinary shares of the company. Mr. Andrews Basoah holds the remaining 0.01%. uniBank (Ghana) Limited, uniCredit Ghana Limited, uniSecurities Ghana Limited, StarLife Assurance Company Limited, Star Microinsurance Company Limited, uniPrecision Printing Press, Telemedia Communications, E.I.B. Network, Integrated Properties Limited, HODA Properties, Alban Logistics and Finnet Solutions are related through common shareholding and directorship.

The following transactions were carried out with related parties:

Nature of Transaction	Related Party	Dec-16 Gh¢	Dec-15 Gh¢
Available-for-sale Investment:			
Fixed Deposits	uniCredit Savings & Loans Ltd	1,530,427	1,190,362
Fixed Deposits	uniSecurities (Ghana) Ltd	9,317,101	33,347,468
Fixed Deposits	uniBank (Ghana) Ltd.	-	736,660
Commercial Paper	Integrated Properties Ltd (IPL)	30,258,785	-
Unlisted Equity Investment	Star Microinsurance Ltd	500,000	-
		41,606,313	35,274,490

Receipts from Related Parties:

		Dec-16 Gh¢	Dec-15 Gh¢
Insurance Premium	Integrated Properties Ltd (IPL)	717,770	245,817
Insurance Premium	StarLife Assurance Company Ltd	317,138	222,146
Insurance Premium	Star Microinsurance Ltd	39,450	20,673
Insurance Premium	uniBank (Ghana) Ltd.	744,971	176,271
Insurance Premium	uniCredit Savings & Loans Ltd	247,659	176,271
Insurance Premium	uniSecurities (Ghana) Ltd	44,202	28,479
Insurance Premium	uniPrecision Printing Press	87,321	7,906
Insurance Premium	E. I. B Network Ltd	231,472	82,309
Insurance Premium	Alban Logistics	47,523	38,876
Insurance Premium	Telemedia Communications Ltd	7,303	5,694
		2,484,809	1,004,442

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Related party transactions (continued)

Payments to Related Parties:

		Dec-16 Gh¢	Dec-15 Gh¢
Claims payment	StarLife Assurance Co. Ltd	13,345	5,034
Claims payment	Star Microinsurance Ltd	1,604	-
Claims payment	uniBank (Ghana) Ltd.	205,523	1,214,856
Claims payment	uniCredit Savings & Loans Ltd	13,381	-
Claims payment	uniSecurities (Ghana) Ltd	18,000	143,999
Claims payment	Topp Core Security	20,352	20,352
Security & prof driving services	Topp Core Security	66,593	56,276
Life Insurance premium	StarLife Assurance Co. Ltd	316,042	274,863
Marketing and adverts	Telemedia Communications Ltd	2,940,529	2,817,003
Printing of stationery items	uniPrecision Printing Press	202,952	181,837
Purchase of Fixed Assets	Alban Logistics	494,859	322,759
Supply of stationery and others	Alban Logistics	102,478	365,062
Lease Rentals	Alban Logistics	333,759	333,759
		4,729,417	5,735,800

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

Due to Related Parties:

	Dec-16 Gh¢	Dec-15 Gh¢
Star Microinsurance	154,776	82,640
Telemedia Communications Ltd	710,790	1,371,095
	908,301	1,496,104

The following are loan balances due from related parties:

	Dec-16 Gh¢	Dec-15 Gh¢
Directors' Account	190,671	190,671
Employees	2,247,062	1,921,156
	3,388,770	3,650,300

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

Key management personnel:

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

	Dec-16 Gh¢	Dec-15 Gh¢
Salaries and other short-term employment benefits	759,816	556,448
Employers' pension contributions	174,758	130,282
	934,574	686,730

Transactions with directors:

Remuneration in the form of salaries is paid to executive directors and non-executive directors are paid fees. Directors' emoluments are disclosed in Note 12.

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