SIC INSURANCE COMPANY LIMITED
REPORTS AND FINANCIAL STATEMENTS

For the period ended 30 Sept, 2020

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SIC INSURANCE COMPANY LIMITED
DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Board of Directors:

Dr. Jimmy Ben Heymann	Chairman
Mr. Stephen Oduro	Managing Director
Mr. James Appietu- Ankrah	Non-Executive Director
Mrs. Pamela Djamson-Tettey	Non-Executive Director
Mr. Christian Tetteh Sottie	Non-Executive Director
Mr. Kwabena Gyima Osei-Bonsu	Non-Executive Director
Mr. Nicholas Kwame Oteng	Non-Executive Director
Mr. Daniel Ofori	Non-Executive Director

Executive Management:

Mr. Stephen Oduro	Managing Director
Mr. Faris Attrickie	General Manager, Operations

Company Secretary:

Mrs. Lydia Hlomador

Registered Office:

Nyemitei House
28/29 Ring Road East
Osu-Accra

Actuary

Stallion Consultants limited
3rd Floor Gulf House
Tetteh Quarshie Interchange, Airport West
P.O Box KA 30681 KIA Accra

Auditors:

Deloitte &Touche
Chartered Accountants.
The Deloitte Place, Plot No. 71, Off George Walker
Bush Highway, North Dzorwulu
P.O. Box GP 453, Accra

Registrars:

NTHC Limited Martco House, P O Box KIA 9563
Airport, Accra

Bankers: - Local

ADB Bank Limited, Barclays Bank Ghana Limited, Ecobank Ghana Limited, GCB Bank Limited, National Investment Bank Limited, Societe Generalè Ghana Limited, UMB Bank Limited and Stanbic Bank Limited

Bankers: - Foreign

Ghana International Bank Limited

SIC INSURANCE COMPANY LIMITED
DIRECTORS' REPORT

The Directors have pleasure in presenting their Nine Months Report of the company
For the period ended 30 Sept, 2020

1. Principal activities

The principal activity of the Company is to undertake non-life insurance business

2. Results for the period	**2020 GH¢**
The balance brought forward on income surplus account at 1 January was	56,941,248
Balance as restated	**56,941,248**
To which must be added:	
Profit/(Loss) for the period after charging all expenses, depreciation and taxation of	5,875,035
	62,816,283
From which is made an appropriation to contingency reserve.	(4,390,492)
	58,425,791
Dividend paid	-
Leaving a balance to be carried forward on retain earnings account of	**58,425,791**

3. Nature of business

There was no change in the nature of the business of the Company during the year.

5. Corporate Social responsibility

An amount of GH¢ 115,430 was spent on fulfilling the social responsibility of the company (2019: GH¢ 617,334)
Sponsorship activities for 2020 covered the following areas:
• Health
• Education
• Sports

6. Interest of directors

There was no change in the interest of directors.

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7. Major transactions

During the period under review no major transactions were entered into by SIC.

8. Auditors

In accordance with section 139(1) of the Companies Act 2019, Act (992) the auditors, Messrs. Deloitte & Touche will continue as the auditors of the Company.

9. Approval of Financial Statements

The Unaudited Financial Statements of SIC Insurance Company Ltd. as indicated above were approved by the Board of Directors on…… and are signed on their behalf by:

Dr. Jimmy Ben Heymann
Board Chairman

Mr. Christian T. Sottie
Director

SIC INSURANCE COMPANY LIMITED

Financial Highlights as at 30 Sept 2020

	2020 **GH¢**	2019 GH¢
Gross premium written	**146,349,722**	138,986,326
Net premium written	**100,393,332**	86,646,602
Claims incurred	**(21,611,605)**	(18,862,269)
Underwriting Loss	**(7,807,390)**	(7,533,267)
Profit/Loss before tax	**8,392,906**	1,975,977
Profit/Loss after tax	**5,875,035**	1,383,184
Shareholders' funds	**272,940,719**	293,374,014
Net assets	**272,940,719**	293,374,014
Total assets	**503,928,230**	496,047,512
Number of shares issued and fully paid for	**195,645,000**	195,645,000
Earnings per share (GH¢)	**0.0300**	0.0071
Net assets per share (GH¢)	**1.3951**	1.4995
Current ratio	**1.0742**	1.0522
Return on shareholders funds	**2.15%**	**0.47%**

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act 2019 (Act 992) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the income statement for that year.

The directors believe that in preparing the unaudited financial statements, they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements, and estimates and that all international accounting standards which they consider to be appropriate have been followed.

The directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 2019 (Act 992) and Insurance Act 2006 (Act 724).

SIC Insurance Company Limited

Statement of Financial Position
As at 30 Sept 2020

	Note	2020	2019
ASSETS		**GH¢**	GH¢
Non-Current Assets			
Property, plant & equipment	**21**	**88,375,792**	94,551,193
Intangible assets	**22**	**141,086**	205,565
Investment properties	**24**	**99,390,644**	99,390,644
Long term investment	**25**	**119,806,122**	122,777,310
Investment in subsidiary	**26**	**5,878,526**	5,878,526
Investment in associated companies	**27**	**22,463,125**	20,137,283
		336,055,295	342,940,521
Current assets			
Short term investments	**28**	**82,804,137**	70,563,048
Trade & other receivables	**29**	**21,231,345**	30,828,746
Inventories	**30**	**2,248,545**	1,729,538
Unearned reinsurance premium	**5**	**29,144,581**	21,554,568
Cash and bank balances	**31a**	**32,444,326**	28,431,093
Total current assets		**167,872,935**	153,106,992
Total assets		**503,928,230**	496,047,513
Equity and liabilities			
Equity			
Stated capital	**32**	**25,000,000**	25,000,000
Capital reserve	**33**	**78,021,294**	78,026,677
Retain earnings		**58,425,791**	55,072,847
Contingency reserve	**34**	**40,256,260**	29,796,981
Available-for-sale reserves	**35**	**71,895,635**	105,477,509
Other reserves		**(658,260)**	
Shareholders funds		**272,940,719**	293,374,014
Non-current liabilities			
Short term loan	**37**	**-**	15,078,980
Employee benefit scheme	**38**	**11,275,342**	9,806,945
Deferred tax	**20d**	**63,437,367**	32,273,730
		74,712,709	57,159,655
Current liabilities			
Bank Overdraft	**31b**	**5,851,660**	7,003,073
Unearned premium	**5**	**80,820,542**	60,625,823
Outstanding claims	**8a**	**37,863,137**	46,312,911
Trade & other payables	**36**	**28,779,360**	30,298,957
Taxation	**20a**	**1,958,566**	(1,194,480)
National stabilisation levy	**20b**	**1,001,535**	2,467,558
Total current liabilities		**156,274,801**	145,513,842
Total liabilities		**230,987,510**	202,673,497
Total equity and liabilities		**503,928,230**	496,047,513

The Unaudited Financial Statements were approved by the Board of Directors on…….. and signed on their behalf by:

Dr.Jimmy Ben Heymann **Mr. Christian T. Sottie**
Board Chairman **Director**

SIC INSURANCE COMPANY LIMITED

Statement of Comprehensive Income
For the period ended 30 Sept, 2020

	Note	2020 GH¢	2019 GH¢
Gross premium written	5,6	**146,349,722**	138,986,327
Less: Reinsurances	7	**(45,956,390)**	(52,339,725)
Net premium written		**100,393,332**	86,646,602
Movement in unearned premium	5	**(14,171,837)**	(948,429)
Net premium earned		**86,221,495**	85,698,173
Claims incurred	8	**(21,611,605)**	(18,862,269)
Commissions	9	**(3,899,253)**	337,363
Management expenses	10	**(68,518,028)**	(74,706,533)
Underwriting (Loss)/Profit		**(7,807,390)**	(7,533,266)
Investment income	11	**4,349,795**	5,453,240
Other income	12	**12,645,855**	6,850,723
Finance costs	13	**(795,354)**	(2,794,720)
Profit/Loss before Tax & Exceptional Item		**8,392,906**	1,975,977
Impairment on investment	14	**-**	-
Profit/Loss before tax		**8,392,906**	1,975,977
Taxation	20a	**(2,098,227)**	(493,994)
National stabilisation levy	20b	**(419,645)**	(98,799)
Profit/Loss after tax		**5,875,035**	1,383,185
Other Comprehensive Income			
net change in fair value of available for sale financial assets		**(2,843,465)**	(2,123,954)
Total Comprehensive Income		**3,031,569**	(740,769)
Basic earning per share		**0.0300**	0.0071

The accompanying notes from pages 11 to 50 form an integral part of these financial statements

SIC Insurance Company Limited

Statement of changes in shareholders funds
For the period ended 30 Sept, 2020

Company

2019	Stated capital GH¢	Retain earnings GH¢	Contingency reserves GH¢	Capital reserve GH¢	Available-for sale reserves GH¢	Other reserves GH¢	Total GH¢
Balance at 1 Jan. 2019	**25,000,000**	**53,966,300**	**29,520,344**	**78,026,677**	**107,601,463**	**-**	**294,114,784**
Profit for the year	-	1,383,184	-	-	-	-	**1,383,184**
Transfer (from)/to reserve	-	(276,637)	276,637	-	-	-	**-**
Net loss on avai-for-sale invest.	-	-	-	-	(2,123,954)	-	**(2,123,954)**
Dividend Paid	-	-	-	-	-	-	**-**
Balance at 30 Sept 2019	**25,000,000**	**55,072,847**	**29,796,981**	**78,026,677**	**105,477,509**	**-**	**293,374,014**
2020							
Balance at 1 Jan. 2020	**25,000,000**	**56,941,248**	**35,865,768**	**78,021,294**	**74,739,100**	**(658,260)**	**269,909,150**
Profit for the year	-	5,875,035	-	-	-	-	**5,875,035**
Transfer to reserve	-	(4,390,492)	4,390,492	-	-		**-**
Revaluation on PPE	-	-	-	-	-	-	**-**
Net gain on avai-for-sale invest.	-	-	-	-	(2,843,465)	-	**(2,843,465)**
Proir year adjustment	-	-	-	-	-	-	**-**
Balance at 30 Sept 2020	**25,000,000**	**58,425,791**	**40,256,260**	**78,021,294**	**71,895,635**	**(658,260)**	**272,940,719**

SIC Insurance Company Limited
Statement of Cash flow Position
For the period ended 30 Sept, 2020

	2020	2019
Operating activities	**GH¢**	GH¢
Operating profit(loss)	**8,392,906**	1,975,977
	8,392,906	1,975,977
Adjustment to reconcile profit before tax to net cash		
Non-cash:		
Depreciation	**5,279,043**	5,197,144
Amortisation of intangible assets	**48,358**	48,358
Available-for-sale reserve	**-**	-
Profit on disposal of property, plant & equipment	**-**	-
Share of associate profit	**-**	-
Revaluation (gain)/loss on investment properties	**-**	-
Interest received	**(4,178,192)**	(4,603,535)
Dividend received	**(171,603)**	(849,705)
Working capital adjustments:		
Change in provision for unearned prem	**(9,567,171)**	(9,032,774)
Change in receivables	**16,181,060**	19,957,578
Change in inventories	**(0)**	-
Change in trade & other payables	**(24,290,930)**	(3,820,975)
Change in provision for claims	**4,388,607**	651,022
Change in unearned reinsurance premium	**23,739,008**	9,981,202
Tax paid	**(1,830,409)**	(2,178,824)
National stabilisation levy paid	**(370,519)**	(972,965)
Adjustments	**1,520**	**1,804**
Net cash generated/(used) in operating activities	**17,621,679**	16,354,307
Investing activities		
Acquisition of property, plant and equipment	**(830,402)**	(865,457)
Acquisition of intangible assets	**-**	-
Proceeds from sale of property, plant and equipment	**-**	-
Investment properties	**-**	-
Purchase / Redemption of long term investments	**-**	-
Dividend received	**171,603**	849,705
Interest received	**4,178,192**	4,603,535
Net cash generate/(used)from investing activities	**3,519,393**	4,587,783
Financing activities		
Movement in borrowings	**(5,534,700)**	(6,936,020)
Net cash generated/(used)in servicing of finance	**(5,534,700)**	(6,936,020)
Changes in cash and cash equivalents	**15,606,371**	14,006,070
Cash at 1 January	**93,790,430**	77,984,996
Cash at 30 Sept	**109,396,802**	91,991,067
Analysis of changes in cash and cash equivalents		
Cash and bank	**32,444,326**	28,431,093
Bank Overdraft	**(5,851,660)**	(7,003,073)
Short term investments	**82,804,137**	70,563,048
	109,396,802	91,991,067

SIC INSURANCE COMPANY LIMITED

Notes to the financial statements
For the period ended 30 Sept, 2020

1. Reporting Entity

SIC Insurance Company Limited underwrite non-life insurance risks. The Company is a limited liability Company incorporated and domiciled in Ghana, with its registered office at Nyemitei House 28/29 Ring Road East Osu-Accra. SIC Insurance Company Limited has a primary listing on the Ghana Stock Exchange.

2. Basis of preparation

(a) Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those Standards, as adopted by the International Accounting Standards Board and applicable legislations.
The following accounting standards, interpretations and amendments to published accounting standards that impact on the operations of the Company were adopted:
IFRS 4 Insurance contracts;
IFRS 7 Financial Instruments: Disclosures;
IAS 1 (*Revised*), Presentation of financial statements (added disclosures about an entity's capital and other disclosures);
IAS 14 Segment reporting;
IAS 16 Property, plant and equipment;
IAS 17 Leases;
IAS 18 Revenue;
IAS19 (*Amendment*), Employee benefits;
IAS 21 (*Amendment*), The effects of changes in foreign exchange rates;
IAS 24 (*Amendment*), Related party disclosures;
IAS 32 (*Amendment*), Financial instruments: disclosure and presentation;
IAS 36 Impairment of assets;
IAS 37 Provisions, contingent liabilities and contingent assets;
IAS 38 Intangible assets;
IAS 39 (*Amendment*), Financial instruments: recognition and measurement; and
IAS 40 Investment properties.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value. Financial assets are held at fair value through profit and loss, investment property is measured at fair value, retirement benefit obligations and other long term employee benefit are measured at net present value, financial assets and liabilities are initially recognised at fair value.

(c) Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to 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 the future periods if the revision affects both current and future periods.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Company

(a) Consolidation

i). ***Subsidiaries:***

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which control ceases.

The Company uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intra-Company transactions, balances and unrealised gains on intra - group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

ii). ***Associates:***

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Company.

(b) Segment reporting

A business segment is a Company of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

(c) Foreign currency translation

i). ***Functional and presentation currency:***
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ghana cedis, which is the Company's presentation currency.

ii). ***Transactions and balances:***
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

iii). ***Exchange differences:***
(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

(d) Property, plant and equipment

Land and buildings comprise mainly outlets and offices occupied by the Company. Land and buildings are shown at fair value, based on periodic, but at least triennal, valuations by external independent appraisers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation surplus in shareholders' funds. Decreases that offset previous increases of the same asset are charged against revaluation surplus directly in equity; all other decreases are charged to the statement of comprehensive income.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts over their estimated useful lives, as follows:

Motor vehicles	20%	per annum
Office furniture	10%	"
Household furniture	20%	"
Freehold buildings	1%	"
Office equipment	20%	"
Computers	25%	"

Leasehold land & buildings are amortised over the life of the lease.
The assets' residual values and useful lives are reviewed at each statement of financial position date and adjusted if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

(e) Investment properties

Property held for long-term rental yields, that is not occupied by any unit, subsidiary or associate of the Company is classified as investment property.
Investment property comprises freehold land and buildings. It is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as discounted cash flow projections or recent prices on less active markets. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Changes in fair values are recorded in the statement of comprehensive income.

Property located on land that is held under operating lease is classified as investment property as long as it is held for long-term rental yields and is not occupied by the Company. The initial cost of the property is the lower of the fair value of the property and the present value of the minimum lease payments. The property is carried at fair value after initial recognition.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the statement of comprehensive income.

(f) Financial Instrument

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

ii). ***Classification of financial assets***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset:
• the company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
• the company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(g) Impairment of assets

i). ***Financial assets carried at amortised cost:***

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or Company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Company of financial assets that can be reliably estimated. Objective evidence that a financial asset or Company of assets is impaired includes observable data that comes to management's attention about the following events:

(i) significant financial difficulty of the issuer or
(ii) a breach of contract, such as a default or delinquency in payments;
(iii) it becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
(iv) the disappearance of an active market for that financial asset bacause of financial difficulties; or
(v) observable data indicating that there is a measurable decrease in the estimated future cash flow from a Company of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Company, including:

• Adverse changes in the payment status of issuers or debtors in the Company; or
• National or Local economic conditions that correlate with defaults on the assets in the Company.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient approach, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

ii). ***Financial assets carried at fair value:***

The Company assesses at each statement of financial position date whether there is objective evidence that an available-for-sale financial asset is impaired, including in the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not subsequently reversed. The impairment loss is reversed through the statement of comprehensive income, if in a subsequent period the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

iii). ***Impairment of other non-financial assets:***

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are companied at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(h) Offsetting financial instruments

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

(i) Cash and cash equivalents

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

(j) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

(k) Insurance and investment contracts - classification

The Company issues contracts that transfer insurance risk or financial risk or both.

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

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

(l) Insurance contracts

i). **Recognition and measurement:**

Insurance contracts are classified into categories, depending on the duration of risk and whether or not the terms and conditions are fixed.

ii). **Non-life insurance contracts:**

These contracts are casualty, property and personal accident insurance contracts.
Casualty insurance contracts protect the Company's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).
Personal accident insurance contracts mainly compensate the policy holder for bodily injuries suffered. It can be extended to family members and employees of the insured.

For all these contracts, premiums 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 statement of financial position date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to statement of comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third party properties damaged by the contract holders. They include direct and indirect claims settlement costs arising from events that have occurred up to the statement of financial position date event if they have not yet been reported to the Company. The Company does not discount its liabilities for unpaid claims other than for disability claims. Liabilities for unpaid claims are estimated using the input of actuaries and assessments for individual cases reported to the Company and statistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

iii). **Liability adequacy test:**

At each statement of financial position date, liability adequacy tests are performed to ensure the adequacy of the 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 and by subsequently establishing a provision for losses arising from liability adequacy tests (the unexpired risk provision).

In determining the adequacy of unearned premium, the liability adequacy test on unexpired risk premium was determined by computing the premium unearned on each policy as at 31 December 2019. 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.

iv). **Reinsurance contracts held:**

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

The benefits to which the company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within loans and receivables), as well as longer term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

In certain cases, a reinsurance contract is entered into retrospectively to reinsure a notified claim under the company's property or casualty insurance contracts. Where the premium due to the reinsurer differs from the liability established by the company for the related claim, the difference is amortised over the estimated remaining settlement period.

v). Receivables and payables related to insurance contracts:

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. If there is objective evidence that the insurance receivable is impaired, the company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the statement of comprehensive income

Vi). Salvage and subrogation reimbursements:

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

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

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims and are recognised in other assets when the liability is settled. The allowance is the assessment of the amount that can be recovered from the action against the liable third party.

(m) Deferred tax

Deferred 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. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Employee benefits

i). **Pension obligations:**

The Company operate various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii). **Other post-employment obligations:**
The Company provides post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age. The cost is expensed in the statement of comprehensive income when incurred.

iii). **Termination benefits:**
Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

(o) Provisions

i). **Restructuring costs and legal claims:**
Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) ***Revenue recognition***
Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Company. Revenue is recognised as follows:

i). ***Premiums:***
Written premiums for non-life insurance business comprise the premiums on contracts incepting in the financial year. Written premiums are stated gross of commissions payable to intermediaries.

Unearned premiums are those proportions of the premium which relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on the basis of the number of days beyond the statement of financial position date.

ii). ***Investment income:***
Investment income consists primarily of dividends and interest receivable

iii). ***Fee, commission and other income:***
Fee, commission and other income consists primarily of reinsurance and profit commissions, asset management fees, policyholder administration fees and other contract fees.

iv). ***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.

v). ***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.

vi). ***Rental income:***
Rental income is recognised on an accrual basis.

(q) ***Leases***
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Company are classified as finance leases. Assets acquired in terms of finance leases are capitalized at the lower of cost and the present value of the minimum lease payment at inception of the lease, and amortised over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position.

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

(s) Critical accounting estimates and judgments in applying accounting policies
The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i). **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 estimate of the liability that the Company will ultimately pay for such claims.

ii). **Impairment of available-for-sale equity financial assets:**
The Company determines that available-for-sale equity financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, 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.

(t) ***Management of insurance and financial risk***
The Company issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks and the way the Company manages them.

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

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

ii). ***Sources of uncertainty in the estimation of future claim payments:***
Claims on casualty contracts are payable when the insured event occurs. The Company is liable for all insured events that occur during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and larger variables affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopt. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the statement of financial position date. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the statement of financial position date.

In calculating the estimated cost of unpaid claims (both reported and not), the Company estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

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

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

iii). **Financial risk:**

The Company is exposed to financial risk through its financial assets, financial liabilities (investment contracts and borrowings), reinsurance assets and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, currency risk and credit risk.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risk that the Company primarily faces due to the nature of its investments and liabilities is interest rate risk.

a). ***Interest rate risk:***

Interest-rate risk is the only financial risk that has a materially different impact across the assets and liabilities categorised in the Company's assets and liabilities management (ALM) framework.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date.

A 5% increase or decrease is used when reporting interest rate risk internally, it represents managements assessment of the reasonably possible change in interest rates.

	5% change in interest rate GH¢	**30 Sept 2020 Amount GH¢**	**Scenario 1 5% increase GH¢**	**Scenario 2 5% decrease GH¢**
Pre-tax profit/(Loss)	**419,645**	**8,392,906**	**8,812,552**	**7,973,261**
Shareholders' equity	**13,647,036**	**272,940,719**	**286,587,755**	**259,293,683**

	5% change in interest rate GH¢	30 Sept 2019 Amount GH¢	Scenario 1 5% increase GH¢	Scenario 2 5% decrease GH¢
Pre-tax profit/(Loss)	98,798.80	1,975,976	2,074,775	1,877,177
Shareholders' equity	14,668,701	293,374,014	308,042,715	278,705,313

Assuming no management actions, a series of such rises would increase pre-tax profit/loss for Sept 2020 by **GH¢419,645** while a series of such falls would decrease pre-tax profit/loss for Sept 2020 by **GH¢419,645**. Also a series of such rises would increase the shareholders' equity by **GH¢13,647,036** whilst a series of such falls would decrease shareholders' equity by **GH¢13,647,036.**

b). ***Credit risk:***

The Company has exposure to credit risk, which is the risk that counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:
– reinsurers' share of insurance liabilities,
– amounts due from reinsurers in respect of claims already paid,

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and business lines are approved by the Board of Directors.

Maximum exposure to credit risk before collateral held

The company's maximum exposure to credit risk at 31 December 2019 and 2018 is the same as the balances of the various financial assets in the statement of financial position listed below

	2020	2019
	GH¢	GH¢
Short term investments	**82,804,137**	70,563,047
Trade and other receivables	**21,231,345**	30,828,746
Cash and bank balances	**32,444,326**	28,431,093
	136,479,808	129,822,886

No assets have been impaired at the end of the reporting period.

c). ***Liquidity risk:***

The Company is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company's approach to managing liquidity risk is to ensure that it will maintain adequate liquidity to meets its liabilities when due. Please refer to note 18 for the details of the insurance liabilities which may have an impact on the liquidity risk.

The table below presents the cash flows payable by the company under financial liabilities by remaining contractual maturities at the balance sheet date.

Maturity analysis of financial assets and liabilities

2020	Carrying amount GH¢	Up to one year GH¢	More than one year GH¢	**2020 Total GH¢**	2019 Total GH¢
Financial assets					
Short term investments	82,804,137	82,804,137	-	**82,804,137**	70,563,047
Other receivables	21,231,345	21,231,345	-	**21,231,345**	30,828,746
Cash and bank balances	32,444,326	32,444,326	-	**32,444,326**	28,431,093
Total undiscounted assets	136,479,808	136,479,808	-	**136,479,808**	129,822,886
Financial liability					
Bank overdraft	5,851,660	5,851,660	-	**5,851,660**	7,003,073
Insurance contract liabilities	118,683,679	118,683,679	-	**118,683,679**	106,938,735
Borrowings	-	-	-	-	15,078,980
Trade and other accounts payable	28,779,360	28,779,360	-	**28,779,360**	30,298,957
Total undiscounted liabilities	153,314,700	153,314,700	-	**153,314,700**	159,319,745
Total liquidity gap	(16,834,892)	(16,834,892)	-	**(16,834,892)**	(29,496,858)

d). ***Currency risk:***

The Company operates locally and its exposures to foreign exchange risk arise primarily with respect to the US dollar, the Euro and the UK pound due to the reinsurance businesses undertaken with foreign based Reinsurers as well as policies undertaken in foreign currencies. The Company receives claims from its reinsurers in foreign currencies and also has some investments in foreign currencies which mitigates the foreign currency exchange rate risk for these operations.

As a result, foreign exchange risk arises from recognised assets and liabilities denominated in other currencies.

The following table details the Company's sensitivity to a 10% increase and decrease in the cedi against the relevant foreign currencies. A 10% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. For each sensitivity the impact of change in a single factor is shown, with other assumptions unchanged.

2020	**10% change in exchange rate GH¢**	**30 Sept 2020 Amount GH¢**	**Scenario 1 10% increase GH¢**	**Scenario 2 10% decrease GH¢**
Pre-tax profit	**839,291**	**8,392,906**	**9,232,197**	**7,553,616**
Shareholders' equity	**27,294,072**	**272,940,719**	**300,234,791**	**245,646,647**

2019	10% change in exchange rate GH¢	30 Sept 2019 Amount GH¢	Scenario 1 10% increase GH¢	Scenario 2 10% decrease GH¢
Pre-tax profit	197,598	1,975,976	2,173,574	1,778,378
Shareholders' equity	29,337,401	293,374,014	322,711,415	264,036,613

Assuming no management actions, a series of such rises would increase pre-tax profit/loss for Sept 2020 by **GH¢839,291** while a series of such falls would decrease pre-tax profit/loss for Sept 2020 by **GH¢839,291**. Also a series of such rises would increase the shareholders' equity by **GH¢27,294,072** whilst a series of such falls would decrease shareholders' equity by **GH¢27,294,072**.

The following significant exchange rates were applied during the year:

	2020 GH¢ Selling	**2020 GH¢ Buying**	2019 GH¢ Selling	2019 GH¢ Buying
US Dollar	**5.7056**	**5.6998**	5.3188	5.3134
GB Pound	**7.3624**	**7.3545**	6.5485	6.5414
Euro	**6.6816**	**6.6756**	5.8214	5.8177

4. Amendments to IFRS 9 Prepayment Features with Negative Compensation

The Group has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The company plans to adopt the new standard on the required effective date using the full retrospective method or the modified retrospective method. During 2017, the company performed a preliminary assessment of IFRS 15, which was continued with a more detailed analysis completed in 2017.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled **share-based payment** transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 **Leases**, IFRIC 4 **Determining whether an Arrangement contains a Lease**, SIC-15 **Operating Leases-Incentives** and SIC-27 **Evaluating the Substance of Transactions Involving the Legal Form of a Lease**. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2019, the company will continue to assess the potential effect of IFRS 16 on its financial statements.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective,

IFRS 17 will replace IFRS 4 **Insurance Contracts** (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:
• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts.
IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Transfers of Investment Property — Amendments to IAS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments.
An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight.

Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

Annual Improvements 2014-2016 Cycle (issued in December 2016)
These improvements include:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose.

The amendment is effective from 1 January 2018. This amendment is not applicable to the company.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:
• An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

• If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after 1 January 2018.

An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis.

Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the interpretation Or

ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the company's current practice is in line with the Interpretation, the company does not expect any effect on its financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

Whether an entity considers uncertain tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The company will apply interpretation from its effective date.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates. The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application

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5. Segment information

Segmental information is presented in respect of the Company's business segments. The primary format and business segments, is based on the Company's management and internal reporting structure.
The Company's results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.
The Company does not have a geographical segment.

Class of business	**Motor**	**Fire**	**Accident**	**Marine & Aviation**	**2020 Total**	2019 Total
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**	GH¢
Gross written Premium	62,502,614	42,315,802	34,282,948	7,248,358	**146,349,722**	138,986,327
Reinsurances	(1,124,540)	(28,832,548)	(6,839,328)	(9,159,973)	**(45,956,390)**	(52,339,725)
Net written premiums	**61,378,074**	**13,483,254**	**27,443,620**	**(1,911,615)**	**100,393,332**	86,646,602
Movement in unearned premium	(11,717,782)	364,111	(4,058,987)	1,240,820	**(14,171,837)**	(948,429)
Premium earned	**49,660,292**	**13,847,365**	**23,384,633**	**(670,795)**	**86,221,495**	85,698,173
Commissions	(7,663,601)	4,016,404	(1,101,411)	849,355	**(3,899,253)**	337,362
	41,996,692	**17,863,769**	**22,283,222**	**178,561**	**82,322,243**	86,035,537
Claims	(7,391,737)	(10,141,154)	(3,699,544)	(379,171)	**(21,611,605)**	(18,862,269)
	34,604,955	**7,722,615**	**18,583,678**	**(200,610)**	**60,710,638**	67,173,267
Management expenses	(29,262,480)	(19,811,416)	(16,050,594)	(3,393,537)	**(68,518,028)**	(74,706,533)
Underwriting results transferred to Rev. A/c	**5,342,475**	**(12,088,801)**	**2,533,084**	**(3,594,147)**	**(7,807,390)**	(7,533,266)
Total assets					**503,928,230**	496,047,512
Total liabilities					**230,987,510**	202,673,498
Shareholders funds					**272,940,719**	293,374,014

Unearned premium	**Motor**	**Fire**	**Accident**	**Marine & Aviation**	**2020 Total**	2019 Total
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**	GH¢
Unearned Premium - Start	25,970,538	53,376,443	6,791,005	4,249,727	**90,387,713**	69,658,596
Unearned Rein Prem - Start	(326,690)	(46,608,173)	(2,794,199)	(3,154,527)	**(52,883,589)**	(31,535,770)
Unearned Prem - Close	(37,984,695)	(30,260,850)	(10,524,134)	(2,050,863)	**(80,820,542)**	(60,625,823)
Unearned Rein Prem - Close	623,065	23,856,691	2,468,341	2,196,484	**29,144,581**	21,554,568
Movement in Unearned Prem	**(11,717,782)**	**364,111**	**(4,058,987)**	**1,240,820**	**(14,171,837)**	(948,429)

The non-life insurance business is organised into four segments as shown above.

i) **Motor*:*** This business unit underwrites motor insurance by giving cover which indemnifies the insured against any accidental loss to motorbikes and vehicles. There are three types of motor insurances namely; comprehensive, third party and third party fire & theft.

ii) **Marine & Aviation**: Marine insurance provides cover on airborne cargoes, ships, fishing vessels as well as ports & harbours installations. Aviation on the other hand covers aircrafts itself, cargo and passengers.

iii) **Fire:** Fire insurance covers accidental destruction of properties including household buildings, personal effects, commercial and industrial buildings, plants & machinery, raw materials, finished goods and profits (business disruption) policies. Fire cover is usually in three parts, namely; fire, lighting, and limited explosions.

iv) **Accident:** Accident policies covers a broad range of activities including personal accidents, family personal accidents, group personal accidents, burglary, cash-in-transit, goods-in-transit, bankers indemnity, pedals cycle, products liability, contractors all-risk, travel insurance, bonds etc.

The business segments operates on a short-term insurance cycle.

6. Gross written premium

	2020	2019
	GH¢	GH¢
Motor	**62,502,614**	52,879,093
Fire	**42,315,802**	42,817,292
Accident	**34,282,948**	36,690,851
Marine and aviation	**7,248,358**	6,599,091
	146,349,722	138,986,326

7. Reinsurances ceded

	2020	2019
	GH¢	GH¢
Motor	**1,124,540**	804,352
Fire	**28,832,548**	26,860,875
Accident	**6,839,328**	17,476,502
Marine and aviation	**9,159,973**	7,197,996
	45,956,390	52,339,725

8a Claims incurred

	2020	2019
	GH¢	GH¢
Payments during the year	**27,506,480**	21,953,850
Claims outstanding as at 30 Sept	**37,863,137**	46,312,911
	65,369,617	68,266,761
Claims outstanding at 1-Jan	**(33,474,530)**	(45,661,889)
	31,895,087	22,604,872
Net recoveries	**(10,283,483)**	(3,742,603)
Claims net of recoveries	**21,611,605**	18,862,269

Claims provision

The company's outstanding claims provision includes notified claims as well as those incurred but not yet reported. Due to the short term nature of the business, it is not considered necessary to discount any of the claims provision.

Claims provisions are based on previous claims experience, knowledge of events, terms and conditions of relevant policies and interpretation of circumstances. Each notified claim is assessed on a separate case-by- case basis with regard to specific circumstances, information available from the insured and the loss adjuster and past experience of similar claims. The company employs staff experienced in claims handling and rigorously applies standardized policies and procedures around claims assessment.

9 Commissions (NET)

	2020	2019
	GH¢	GH¢
Receivable	**13,620,635**	15,883,358
Payable	**(17,519,887)**	(15,545,995)
Net commissions	**(3,899,253)**	337,363

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10. Management expenses

Mangement expenses is stated after charging:	**2020**	2019
	GH¢	GH¢
Directors' emoluments	**282,500**	233,212
Staff cost	**44,296,903**	46,776,488
Depreciation	**5,279,043**	5,197,144
Software amortisation	**48,358**	48,358
Audit fees	**-**	-

11. Investment Income

	2020	2019
	GH¢	GH¢
Dividend	**171,603**	849,705
Interest on fixed deposits	**991,084**	2,581,057
Interest on treasury bills	**3,125,518**	1,972,050
Other investment income	**61,590**	50,428
	4,349,795	5,453,241

12. Other income

	2020	2019
	GH¢	GH¢
Rent	**1,526,686**	1,166,999
Sale of stickers	**2,480,251**	-
Medical income	**2,345,649**	2,371,188
Sundry income	**6,293,268**	3,312,536
	12,645,855	6,850,723

13. Finance charge

	2020	2019
	GH¢	GH¢
Overdraft & Other Charges	**795,354**	2,794,720

14. Impairment on investment

	2020	2019
	GH¢	GH¢
Impaired investment	**-**	-

15. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

	2020	2019
	GH¢	GH¢
Profit attributable to the Company's equity holders	**5,875,035**	646,894
Weighted average number of ordinary shares in issue	**195,645,000**	195,645,000
Basic earnings per share	**0.0300**	0.0033

16. Financial instruments classification summary

The company's financial assets are summarised below by measurement category as follows:

	2020	2019
	GH¢	GH¢
Available-for-sale (Note 17)	**119,599,282**	122,574,910
Receivables (including insurance receivables)(Note 18)	**2,859,447**	26,140,909

The company does not hold financial assets in the category of Held-to-maturity as well as Fair value designated through income.

17. Available-for-sale financial assets

	2020	2019
	GH¢	GH¢
Equity securities:		
Listed	**7,437,642**	10,413,270
Unlisted	**112,161,640**	112,161,640
Total available-for-sale financial assets	**119,599,282**	122,574,910

18. Receivables

	2020	2019
	GH¢	GH¢
i). Receivables arising from insurance and reinsurance contracts:		
Due from policy holders	**-**	-
Due from agents, brokers and intermediaries	**2,859,447**	26,140,909
Total receivables including insurance	**2,859,447**	26,140,909
Current portion	**2,859,447**	26,140,909

The carrying amount is a reasonable approximation of fair value.

The company's receivables are non-interest bearing assets. Management has assessed all receivables for impairment purposes, and no impairment loss was determined.

19. Insurance liabilities

	2020	2019
	GH¢	GH¢
Claims reported and loss adjustment expenses	**20,712,279**	32,991,192
Claims incurred but not reported (IBNR)	**17,150,858**	13,321,719
Unearned premiums	**80,820,542**	60,625,823
Total insurance liabilities	**118,683,679**	106,938,735

20. Taxation - Company

Taxation - Company

(a) Income tax payable

Income tax	At 1/Jan **GH¢**	Charge for the year **GH¢**	Paym't during the year **GH¢**	**At** 30/Sep **GH¢**
Up to 2019	1,690,748	-	-	1,690,748
2020	-	2,098,227	(1,830,409)	267,818
	1,690,748	2,098,227	(1,830,409)	1,958,566
(b) Reconstruction/Stabilization levy				
up to 2019	952,408	-	-	952,408
2020	-	419,645	(370,519)	49,127
	952,408	419,645	(370,519)	1,001,535
	2,643,156	2,517,872	(2,200,927)	**2,960,101**

(c) Income tax expenses

	2020	2019
	GH¢	GH¢
Corporate tax	**2,098,227**	**493,994**
Deferred tax	-	-
National stabilization levy	**419,645**	**98,799**
	2,517,872	**493,994**

(d) Deferred tax

	2020	2019
	GH¢	GH¢
Balance at 1st January	**63,437,367**	32,273,730
Income statement charge/(credit)	-	-
Balance as at 30 Sept	**63,437,367**	32,273,730

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21. Property, plant and equipment

2020	Leasehold buildings	Leasehold land	Freehold buildings	Freehold land	Computers	Capital Work in progress	Other machinery & equipment	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1st Jan.	53,520,767	10,972,800	28,052,400	-	2,071,717	3,266,497	16,761,521	**114,645,702**
Additions for the year	-	-	-	-	63,232	15,537	751,634	**830,402**
Adjustments	-	-	-	-	-	-	(519,966)	**(519,966)**
Balance as at 30 Sept	**53,520,767**	**10,972,800**	**28,052,400**	**-**	**2,134,949**	**3,282,034**	**16,993,189**	**114,956,138**
Accumulated Depreciation								
Balance as at 1st Jan.	6,435,496	1,949,779	561,048	-	1,723,597	-	11,149,828	**21,819,748**
Charge for the year	2,415,014	731,167	210,393	-	176,429	-	1,746,040	**5,279,043**
Disposal	-	-	-	-	-	-	(518,446)	**(518,446)**
Balance as at 30 Sept	8,850,510	2,680,946	771,441	-	1,900,026	-	12,377,423	**26,580,346**
Net book value	**44,670,257**	**8,291,854**	**27,280,959**	**-**	**234,923**	**3,282,034**	**4,615,766**	**88,375,792**

2019	Leasehold buildings	Leasehold land	Freehold buildings	Freehold land	Computers	Capital Work in progress	Other machinery & equipment	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1st Jan.	53,384,520	10,972,800	28,052,400	-	2,064,417	3,266,498	16,183,292	**113,923,927**
Additions for the year	136,247	-	-	-	7,300	-	628,709	**772,256**
Revaluation	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	(116,507)	(116,507)
Balance as at 30 Sept	53,520,767	10,972,800	28,052,400	0	2,071,717	3,266,498	16,695,494	**114,579,676**
Accumulated Depreciation								
Balance as at 1 January	3,215,478	974,890	280,524	-	1,478,656	-	8,996,493	**14,946,041**
Charge for the year	2,415,014	731,167	210,393	-	183,706	-	1,656,864	**5,197,144**
Revaluation	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(114,702)	**(114,702)**
Balance as at 30 Sept	5,630,492	1,706,057	490,917	-	1,662,362	-	10,538,655	**20,028,483**
Net book value	**47,890,275**	**9,266,743**	**27,561,483**	**-**	**409,355**	**3,266,498**	**6,156,839**	**94,551,194**

22. Intangible assets

Computer software

Cost	**2020**	**2019**
	GH¢	GH¢
Balance as at 1 January	**1,737,493**	1,737,493
Additions	**-**	-
Balance as at 30 Sept	**1,737,493**	1,737,493
Amortisation		
Balance as at 1 January	**1,548,048**	1,483,570
Charge for the year	**48,358**	48,358
Balance as at 30 Sept	**1,596,407**	1,531,928
Net book value	**141,086**	205,565

23 Disposal of assets

	Property, plant & equipment		**Shares**	
	2020	2019	**2020**	2019
	GH¢	GH¢	**GH¢**	GH¢
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-
Proceeds from sale	-	-	-	-
Profit on disposal	-	-	-	-

Depreciation expense of GH¢5,279,043.29(2019: GH¢ 5,197,143.76) has been charged in management expenses.

24. Investment properties

	Leasehold properties	Freehold land & buildings	**2020 Total**	2019 Total
	GH¢	GH¢	**GH¢**	GH¢
Balance as at 1 January	88,725,743	10,664,901	**99,390,644**	99,390,644
Transfer	-			**0**
Addition/Revaluation gain	-	-	**-**	**0**
Balance as at 30 Sept	88,725,743	10,664,901	**99,390,644**	99,390,644

25. Long term investments

	2020	2019
	GH¢	GH¢
Equity shares	**119,599,282**	122,574,910
Mutual fund	**206,840**	202,400
	119,806,122	122,777,310

26. Investment in subsidiary

	2020	2019
	GH¢	GH¢
Balance as at 1st January	**5,878,526**	5,878,526
Adjustments during the year(revaluation)	**-**	-
Balance as at 30 Sept	**5,878,526**	5,878,526

The subsidiary company is:

	Nature of business	**Number of shares**	**% Interest held**
		000	
SIC Financial Services Limited	Investment advisory, asset & fund management	3,000	70

27. Investment in associated company

	2020 GH¢	2019 GH¢
Balance at 1 January	**22,463,125**	20,137,283
Movement in investment	-	-
Balance as at 30 Sept	**22,463,125**	20,137,283

	Nature of business	Number of shares	% Interest held
SIC Life Company Limited	Life Assurance	**20,000,000**	20

28. Short-term investments

	2020 GH¢	2019 GH¢
Ghana Gov't treasury bills	**44,322,729**	33,985,641
Bank time deposits	**38,481,408**	36,577,406
	82,804,137	70,563,047

Included in Ghana Gov't Treasury bill is a statutory deposit of GHS 5,352,545.07(2019: GHS 1,874,022)

The statutory deposit represents an escrow agreement between the National Insurance Commission (NIC) and SIC Insurance Company Limited. As part of the conditions for granting an Insurance license to 'the company", the NIC required "the company" to deposit 10% of its minimum capital as a statutory deposit into an escrow account. These instruments are carried at purchase amount plus any accrued interest and the investments are available for the day to day running of the company on approval by the regulator (NIC)

29. Trade & other receivables

	2020 GH¢	2019 GH¢
Premium debtors	-	-
Accrued income and prepayments	**827,578**	461,196
Staff debtors	**3,226,391**	2,021,555
Sundry debtors	**12,442,441**	2,205,085
Agents & reinsurance balance	**2,859,447**	26,140,909
Rent debtors	**1,875,489**	-
	21,231,345	30,828,745

30. Inventories

	2020 GH¢	2019 GH¢
Fuel and lubricants	**62,280**	35,312
Medical Stores	**1,273,788**	735,421
Stationery and printing stock	**714,462**	603,972
Computer stationery Stock	**198,015**	354,833
	2,248,545	1,729,538

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31a. Cash and cash equivalents

	2020	2019
	GH¢	GH¢
Cash at bank and in hand	**32,444,326**	28,431,093
	32,444,326	28,431,093

b Bank Overdraft

	2020	2019
	GH¢	GH¢
Ecobank	**5,851,660**	**7,003,073**
	5,851,660	7,003,073

Ecobank
The company has an overdraft facility of **GH¢7,000,000** with the bank to support the company's operational expenses requirement. Interest rate is at 17% per annum and expires on 30th May 2020 and has since been renewed.

32 Stated capital

(a) The number of authorised shares is 500,000,000 of no par value.
(b) The number of shares issued is 195,645,000.
(c) The number of shares fully paid is 195,645,000.

Stated capital is made up as follows:

	2020	2019
	GH¢	GH¢
Issued and fully paid for cash	**200**	200
Transfer from income surplus	**42,600**	42,600
Transfer from capital surplus	**24,957,200**	24,957,200
	25,000,000	25,000,000

There are no shares in treasury and no call or installment unpaid on any share.

33 Capital reserve

The movement in the capital surplus account for the year is as follows:

	2020	2019
	GH¢	GH¢
Balance at 1 January	**78,021,292**	78,026,675
Revaluation gain / loss - PPE	**-**	-
Deferred tax effect	**-**	-
Balance as at 30 Sept	**78,021,292**	78,026,675

34 Contingency reserve

	2020	2019
	GH¢	GH¢
Balance at 1 January	**35,865,768**	29,520,344
Transfer from income surplus	**4,390,492**	276,637
Balance as at 30 Sept	**40,256,260**	29,796,981

This represents sums set aside to cover fluctuation in securities and variations in statistical estimate in accordance with the Insurance Act, 2006 (Act 724).

35 Available-for-sale reserves

	2020	2019
	GH¢	GH¢
Balance at 1 January	**74,739,100**	107,601,463
Fair valuation gain/(loss)	**-**	(2,123,954)
Adjustment	**(2,843,465)**	-
Balance as at 30 Sept	**71,895,635**	105,477,509

The available-for-sale reserve is used to record the differences resulting from the valuation of the related investments.

36 Trade & other payables

	2020	2019
	GH¢	GH¢
Agents & brokers	**5,927,947**	4,000,908
Reinsurers	**8,218,521**	11,323,728
Sundry creditors	**14,632,893**	14,974,321
Current account with oil and gas	**-**	-
	28,779,360	30,298,957

37 Borrowings

	2020	2019
	GH¢	GH¢
Ghana International Bank	**-**	**15,078,980**

38 Employee benefit scheme

	2020	2019
	GH¢	GH¢
Staff benefit provisions	**11,275,342**	**9,806,945**

39 Contingencies, capital and financial commitments

The company entered into various commitments in the normal course of insurance business that are not reflected in the accompanying financial statements.
The company has contingent liabilities in respect of claims and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.
However, the company like all other insurers, is subject to litigation in the normal course of its business.

40 Related party transactions

A number of business transactions are entered into with related parties in the normal course of business. These include premiums, claims,etc. These transactions were carried out on commercial terms and at market rates. The volumes of related party transactions, outstanding balances at the year end are as follows:

		2020	2019
a.	The following transactions were carried out with related parties;	**GH¢**	GH¢
i)	**Social Security & National Insurance Trust**		
	Premium income	1,454,946	1,165,921
	Claims paid	1,404	4,056
ii)	**Ghana Reinsurance Company Limited**		
	Premium income	19,237	17,775
	Claims paid	-	-
iii)	**SIC Life Insurance Company**		
	Premium income	364,645	316,136
	Claims paid	614	-
	Dividend received from SIC Life		
iv)	**Ghana Commercial Bank Limited**		
	Premium income	1,518,056	1,265,172
	Claims paid	9,323	2,960
v)	**Ghana Cocoa Board**		
	Premium income	765,250	136,592
	Claims paid	-	221
vi)	**SIC FSL**		
	Payment made by SIC on SIC FSL's behalf	-	-
	Staff provident fund contribution deposited with SIC FSL	2,765,239	2,901,357
b.	**Year end balances arising from transactions with related party are as follows;**		
i)	**Amount due from related parties**		
	Premium receivable from SIC Life	-	-
	Premium receivable from SIC FSL	-	-
	Ghana Oil and Gas Insurance Pool	-	-
ii)	**Amount due to related parties**		
	GOGIP	-	-
c.	**The compensation of executive and management staff is shown below;**		
	Salaries and other benefits	2,354,804	3,189,362
	Employers SSF	146,861	201,291
	Employers PF	102,741	147,477
d.	**Transactions with directors**		
	Directors emoluments are disclosed in note 10		

41 Social responsibilities

An amount of GH¢115,430 was spent on fulfilling the social responsibility of the company (2019: GH¢ 617,334.00).

SIC INSURANCE COMPANY LIMITED

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42 Compliance with legal and regulatory requirement

The company's transactions were within its powers and the company complied with the relevant provisions of the Companies Act 2019 (Act 992) and the Insurance Law.

Section 71(1), Capitalization, Solvency and Financial Provision, requires an insurer to maintain a capital adequacy ratio of 150% by 31 December 2017 and investment to total assets ratio of 55% at all times in accordance with the regulations. The company's capital adequacy ratio and investment to assets ratio as at 30 September were 287.35% (2019: 243.40%) and 72% (2019: 70%) respectively which were within the minimum requirements per the regulations.

43 Events after reporting date

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

Shareholders' information

43a. Directors' shareholding as at 30 Sept 2020

Name of Director	Number of shares held	% Shares held
Mr. Daniel Ofori	7,926,015	3.9890
Mr. James Appietu - Ankrah	2,000	0.0010
	7,928,015	**3.9900**

b Analysis of shareholding as at 30 Sept 2020

Range of shareholding	No. of Shareholders	Shares holdings	% of Shareholders	% Holding
1 - 1000	8,820	4,274,089	73.12	2.18
1001 - 5000	2,339	5,904,346	19.39	3.02
5000 - 10000	445	3,621,287	3.69	1.85
10001 and others	458	181,845,278	3.80	92.95
	12,062	**195,645,000**	**100.00**	**100.00**

SIC INSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 Sept, 2020

EMOLUMENT OF DIRECTORS FOR NINE MONTHS 2020 (JANUARY - SEPTEMBER)

NAME	BI - MONTHLY ALLOWANCE (GH Cedis)	SITTING ALLOWANCE (GH Cedis)	NO. OF MEETINGS		TOTAL AMOUNT (GH Cedis)
			Board	Committee	
Dr. Jimmy Ben Heyman	3,600.00	2,500.00	8	1	36,900
Mr. James Appiet - Ankrah	2,400.00	2,000.00	8	8	42,600
Mr. Kwabena Osei-Bonsu	2,400.00	2,000.00	8	11	47,600
Mr. Daniel Ofori	2,400.00	2,000.00	7	11	45,600
Mrs. Pamela Djamson - Tettey	2,400.00	2,000.00	8	5	37,100
Mr. Christian T. Sottie	2,400.00	2,000.00	8	9	31,100
Mr. Nicholas Oteng	2,400.00	2,000.00	8	8	41,600
TOTAL					282,500

NOTE

1. The Bi-monthly Allowance was paid one (4) time during the period under review.
Messrs. Appietu-Ankrah, Sottie and Mrs. Djamson-Tettey chaired Committee Meetings 2x, 7x and 3x respectively.

SIC INSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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c. List of the twenty largest shareholders as at 30 Sept 2020

	Name of shareholder	Shares held	% Holding
1	GOVERNMENT OF GHANA C/O MINISTRY OF FINANCE	78,258,000	40.00%
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	23,127,392	11.82%
3	SCGN/BANQUE PICTET AND CIE SA, GENEVA RE, PATRICK SCHEGG	9,666,764	4.94%
4	SCGN/ BANQUE PICTET & CIE SA RE NON TAX 6275J	9,666,764	4.94%
5	OFORI DANIEL	7,926,015	4.05%
6	SCGN/JPMC RE DUET AFRICA OPPORTUNITIES MASTER FUND, IC GTI:AEX26	6,714,200	3.43%
7	DEGBOTSE EMMANUEL KOBLA	5,085,565	2.60%
8	SCGN/JP MORGAN CHASE DUET GAMLA LIV AFRICA, OPPORTUNITIES FUND IC	3,977,100	2.03%
9	SCGN/JPM IRE RE CORONATION FD MGR IRE ON BEHALF	3,626,810	1.85%
10	PRESTIGE CAPITAL LIMITED	2,720,505	1.39%
11	SIC-FSL/SIC LIFE SECURITIES TRADING A/C,	2,662,200	1.36%
12	TEACHERS FUND	2,066,700	1.06%
13	GHANA COMMERCIAL BANK LTD	2,000,000	1.02%
14	SIC EMPLOYEE SHARE OWNERSHIP PLAN	1,868,316	0.95%
15	GHANA REINSURANCE COMPANY LIMITED GENERAL BUSINESS	1,661,912	0.85%
16	SCGN/CITIBANK KUWAIT INV AUTHORITY	1,303,900	0.67%
17	METLIFE CLASSIC A/C, STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICAC	985,000	0.50%
18	STATE INSURANCE COMPANY PROVIDENT FUND ACCOUNT	921,669	0.47%
19	MAINSTREAM REINSURANCE COMPANY LIMITED	517,332	0.26%
20	DONEWELL INSURANCE COMPANY LTD	500,000	0.26%
		165,256,144	84.47%
	OTHERS	30,388,856	15.53%
		195,645,000	100.00%