



SIC INSURANCE COMPANY LIMITED

**1ST QUARTER 2018 UNAUDITED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31ST MARCH 2018**

NO. 28/29 NYEMITEI HOUSE, RING ROAD EAST, ACCRA

Website: www.sic-gh.com; sicinfo@sic-gh.com; tel: 0302780600-9; | Fax: 0302780615/8

SIC Insurance Company Limited

Report and financial statements - 1st Quarter 2018

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SIC Insurance Company Limited

DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Directors:	Dr. Jimmy Ben Heyman Mr. Stephen Oduro Mrs. Pamela Djamson-Tettey Mr. James Appietu -Ankrah Mr. Micheal Addotey Addo Mr. Daniel Ofori Mr. Christian Tetteh Sottie Mr. Kwabena Gyima Osei-Bonsu Mr. Nicholas Kwame Oteng	Chairman Member Member Member Member Member Member Member
Company Secretary:	Mrs. Lydia Hlomador	
Registered Office:	Nyemitei House 28/29 Ring Road East Osu-Accra	
Auditors:	Deloitte & Touche Chartered Accountants & Business Advisers 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 KLA 9563 Airport, Accra	
Bankers: - Local	adb Bank Barclays Bank Ghana Limited Ecobank Ghana Limited GCB Bank National Investment Bank Limited Societe General Ghana Limited UMB Bank Stanbic Ghana Limited ARB Apex Bank Limited Akuapim Rural Bank	
Bankers: - Foreign	Ghana International Bank Limited	

SIC Insurance Company Limited

Directors' report

The Directors have pleasure in presenting their Quarterly Report of the company for the 1st quarter ended 31 March, 2018.

1. Principal activities

The company was incorporated to undertake non-life insurance business.

2. Results for the quarter

The balance brought forward on income surplus account at 1 January was

To which must be added:

Profit for the quarter after charging all expenses, depreciation and taxation of

	2018 GH¢	2017 GH¢
	9,076,664	2,576,868
	-	-
	6,081,043	2,458,785
	<u>15,157,707</u>	<u>5,035,653</u>
	(1,362,814)	(1,544,769)
	<u>13,794,892</u>	<u>3,490,884</u>
	<u>13,794,892</u>	<u>3,490,884</u>
	=====	=====

From which is made an appropriation to statutory reserve of

Leaving a balance to be carried forward on income surplus account of

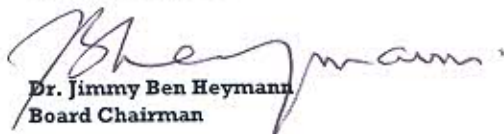
3. Nature of business

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

4. Auditors

In accordance with section 134(5) of the Companies Act 1963, (Act 179) the auditors, Messrs. Deloitte & Touche were appointed in office as auditors of the company.

On behalf of the Board


Dr. Jimmy Ben Heymann
Board Chairman


Mr. Stephen Oduro
Director

SIC Insurance Company Limited**Financial summary - For the Quarter Ended 31st March, 2018**

	2018 GH¢	2017 GH¢
Gross premium	45,427,145	51,492,306
Net premium	31,890,576	33,053,097
Claims incurred	(12,818,967)	(7,712,396)
Commissions	(2,178,027)	(1,312,247)
Management expenses	(22,545,959)	(18,862,118)
Underwriting profit	5,191,760	(286,592)
Investment income	2,191,972	2,170,522
Profit before tax	8,687,202	3,512,551
Profit after tax	6,081,043	2,458,785
Dividend	-	-
Shareholders' funds	108,524,340	83,609,045
Net assets	108,524,340	83,609,045
Total assets	209,772,973	191,056,018
Number of shares issued and fully paid for	195,645,000	195,645,000
Earnings per share (GH¢)	0.0311	0.0126
Share price (GH¢)	0.3800	0.1300
Dividend per share (GH¢)	-	-
Net assets per share (GH¢)	0.5547	0.4274
Current ratio	1.0913	1.0318
Return on shareholders funds (%)	5.6034	2.9408

SIC Insurance Company Limited

Statement of directors' responsibilities

The Ghana Companies Act 1963 (Act 179) requires the directors to prepare financial statements for each quarter which give a true and fair view of the state of affairs of the company at the end of the quarter and of the profit or loss of the company for that quarter.

The directors believe that in preparing the 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, 1963 (Act 179) and Insurance Act 2006 (Act 724).

They are also responsible for taking such steps as are reasonable to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The above statements which should be read in conjunction with the statement of the auditors responsibilities on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements.

Independent auditors' report

To the members of SIC Insurance Company Limited

These financial statements as at 31st March 2018 and set out on pages 7 - 37, which have being prepared on the basis of the International Financial Reporting Standrds (IFRS) on pages 11 to 24 and other explanatory notes as set out on pages 25 to 37 are not audited, but interim audit shall be carried out after September 2018 and Final Audit carried out after 31st December 2018.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act 1963 (Act 179) and the Insurance Act 2006 (Act 724) and the International Fianacial Reporting Standards (IFRS). These responsibilities include; designing, implementing and maintaining internal controls relevant to the presentation of Financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropraite accounting policies; and making accounting estimates that are reasonable in the circumstances.

SIC Insurance Company Limited


**Statement of Comprehensive Income
For the Quarter ended 31 March, 2018**


	Note	2018 GH¢	2017 GH¢
Gross Written Premium	6	45,427,145	51,492,308
Re-insurance assumed			
Less: Re-insurance Ceded	7	(13,536,568)	(18,439,209)
		<u>31,890,576</u>	<u>33,053,097</u>
Net Written Premium			
Movement in unearned premium		10,844,135	(5,452,928)
		<u>42,734,711</u>	<u>27,600,169</u>
Net Premium Earned			
Claims incurred	8	(12,818,967)	(7,712,396)
Commissions	9	(2,178,027)	(1,312,247)
Management expenses	10	(22,545,959)	(18,862,118)
		<u>5,191,760</u>	<u>(286,592)</u>
Underwriting profit			
Investment income	11	2,191,972	2,170,522
Other income	12	1,720,258	1,946,966
Finance Cost		(416,787)	(318,345)
		<u>8,687,202</u>	<u>3,512,551</u>
Profit Before Tax and exceptional item			
Profit before tax		8,687,202	3,512,551
Taxation	18(c)	(2,171,801)	(878,138)
National Stabilization Levy	18(c)	(434,360)	(175,628)
		<u>6,081,043</u>	<u>2,458,785</u>
Profit after tax transferred to Income surplus account			
Basic earnings per share	13	0.0311	0.0126

SIC Insurance Company Limited

**Statement of Financial Position
As at 31 March, 2018**

	Note	2018 GH¢	2017 GH¢
Stated capital	19	25,000,000	25,000,000
Capital surplus	20	17,788,506	17,788,506
Income surplus		13,794,892	3,490,884
Contingency reserve	21	30,883,158	26,207,220
Available-for-sale reserve	22	21,057,784	11,122,435
		<u>108,524,340</u>	<u>83,609,045</u>
		=====	=====
Represented by:			
Non Current Assets			
Property, plant and equipment	23	33,559,209	29,771,163
Investment properties	24	8,422,403	8,422,403
Intangible assets	25	32,161	34,397
Long term investments	26	41,419,084	31,483,734
Investment in subsidiary	27	1,585,715	1,585,715
Investment in associates	28	14,444,887	11,152,061
		<u>99,463,459</u>	<u>82,449,473</u>
		=====	=====
Current assets			
Short term investments	29	60,969,824	53,337,591
Trade & other receivables	30	11,695,322	12,080,386
Inventories		1,187,751	1,057,595
Unearned reinsurance premium		19,383,637	19,773,121
Cash and bank balances	32a	17,072,980	22,387,852
		<u>110,309,514</u>	<u>108,606,545</u>
		=====	=====
Current liabilities			
Bank Overdraft	32b	4,944,866	4,564,452
Unearned premium	5	33,254,914	50,022,077
Outstanding claims	8	35,247,322	14,114,922
Trade & other payables	31	21,727,539	35,016,392
Taxation	18(a,b)	5,908,484	1,540,827
		<u>101,083,126</u>	<u>105,258,670</u>
		=====	=====
Total current liabilities		101,083,126	105,258,670
		=====	=====
Net current assets		9,226,389	3,347,875
		=====	=====
Other non-current financial liabilities			
Deferred tax	18(d)	(165,507)	(2,188,302)
		<u>(165,507)</u>	<u>(2,188,302)</u>
		=====	=====
Total non-current liabilities		(165,507)	(2,188,302)
		=====	=====
Net assets		108,524,340	83,609,046
		=====	=====


Dr. Jimmy Ben Heymann
Board Chairman


Mr. Stephen Oduro
Director

SIC Insurance Company Limited

**Statement of changes in shareholders funds
As at the quarter ended 31 March 2018**

	Stated capital GH¢	Income surplus account GH¢	Contingency reserves GH¢	Capital surplus GH¢	Available-for sale reserves GH¢	Total GH¢
Balance at 1 January 2018	25,000,000	9,076,664	29,520,344	17,788,506	19,783,952	101,169,466
Total recognised income & exp.	-	6,081,043	-	-	-	6,081,043
Net gain on available-for-sale invest.	-	-	-	-	1,273,832	1,273,832
Transfer (from)/to reserve	-	(1,362,814)	1,362,814	-	-	-
Transfer to equity holders	-	-	-	-	-	-
Balance at 31 March 2018	25,000,000	13,794,892	30,883,158	17,788,506	21,057,784	108,524,340
Balance at 1 January 2017	25,000,000	2,576,868	24,662,451	17,788,506	11,122,435	81,150,260
Total recognised income & exp.	-	2,488,785	-	-	-	2,488,785
Transfer (from)/to reserve	-	(1,544,769)	1,544,769	-	-	-
Balance at 31 March 2017	25,000,000	3,490,884	26,207,220	17,788,506	11,122,435	83,609,045

SIC Insurance Company Limited

**Statement of Cash flow Position
For the Quarter ended 31 March, 2018**

	2018 GH¢	2017 GH¢
Operating profit	8,687,202	3,512,551
Operating profit	8,687,202	3,512,551
Adjustment to reconcile profit before tax to net cash flows	-	-
Non-cash:	-	-
Depreciation	633,007	367,880
Amortisation	6,730	11,466
Profit on disposal of property, plant & equipment	-	-
Revaluation of property, plant & equipment	-	-
Available-for-sale reserves	1,273,832	-
Interest Received	(171,538)	(4,981)
Dividend Received	(1,629,793)	(1,431,133)
Working capital adjustments:	-	-
(Decrease)/Increase in provision for unearned premium	(14,975,449)	264,928
Decrease/(Increase) in receivables	10,677,009	(372,400)
Decrease/(Increase) in inventories	-	-
Decrease/(Increase) in Unearned reinsurance Premium	4,131,314	5,188,000
(Decrease)/Increase in trade & other payables	(8,323,733)	4,172,717
(Decrease)/increase in provision of claims	7,364,690	2,797,024
(Decrease)/increase in lease obligations	-	-
Decrease/(Increase) in lease deposits	-	-
Tax paid	(767,331)	(334,710)
Net cash used in operating activities	6,905,939	14,171,342
Investing activities	-	-
Acquisition of property, plant and equipment	(809,497)	(428,378)
Acquisition of Intangible assets	-	-
Dividend received	1,629,793	1,431,133
Interest received	171,538	4,981
Proceeds from sale of property, plant and equipment	-	-
Bad debt recovery	-	-
(Purchase)/Redemption of long term investments	(1,273,831)	-
Net cash used/flow from investing activities	(281,996)	1,007,736
Financing activities	-	-
Investment in subsidiary	-	-
Investment in associated company	-	-
Dividend paid	-	-
Net cash used in servicing of finance	-	-
Changes in cash and cash equivalent	6,623,943	15,134,081
Balance as at 1 January	66,473,996	55,996,910
Cash & Cash equivalent at 31 March	73,097,939	71,130,991
Analysis of changes in cash and cash equivalent	-	-
Cash and bank	17,072,980	22,357,852
Bank Overdraft	(4,944,866)	(4,564,452)
Short term investments	60,969,824	53,337,591
	73,097,938	71,130,991

SIC Insurance Company Limited

Notes to the financial statements For the Quarter ended 31 March, 2018

1. Reporting Entity

SIC Insurance Company Limited underwrite non-life insurance risks. The company also issues a diversified portfolio of investment services to provide its customers with asset management solutions for their savings and retirement needs as well as undertaking brokerage services. 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 legislation.

The following accounting standards, interpretations and amendments to published accounting standards that impact the operations of the company were adopted:

IFRS 1 First time adoption of IFRS;

IFRS 4 Insurance contracts;

IFRS 7 Financial Instruments: Disclosures (effective 1 January 2007)

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 are measured at fair value, financial assets 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 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.

SIC Insurance Company Limited

Notes to the financial statements For the Quarter ended 31 March, 2018

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-company 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. The company's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 29).

The company's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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.

