



ENTERPRISE GROUP LIMITED

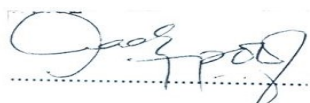
2019 AUDITED FINANCIAL STATEMENTS

ENTERPRISE GROUP LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	The Company		The Group	
	2019	2018	2019	2018
ASSETS				
Deferred tax assets	733	578	11,207	15,457
Investment in subsidiaries	164,400	164,400	-	-
Investment property	-	-	270,493	246,525
Property and equipment	19,609	6,130	76,062	48,039
Intangible assets	-	-	1,102	2,044
Investment securities	2,676	137,891	794,153	791,610
Inventories	-	-	416	238
Loans and receivables	2,410	-	13,891	24,641
Prepayments	455	351	1,823	5,959
Deferred commission expense	-	-	10,102	8,558
Due from re-insurers	-	-	16,497	15,560
Due from related party	116,694	93,095	-	-
National fiscal stabilization levy receivable	-	-	-	123
Current tax assets	-	-	766	742
Cash and bank balances	163,204	36,453	302,604	189,847
Total Asset	470,181	438,898	1,499,116	1,349,343
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	258,886	258,886	258,886	258,886
Deposit for shares	-	-	996	996
Retained earnings	166,207	145,159	213,284	153,780
Foreign currency translation reserve	-	-	1,074	814
Share option reserve	-	142	-	142
Contingency reserve	-	-	52,426	42,053
Equity attributable to owners of the company	425,093	404,187	526,666	456,671
Non-controlling interest	-	-	140,229	119,882
Total equity	425,093	404,187	666,895	576,553
Liabilities				
Life fund	-	-	569,252	492,556
Lease liability	14,135	-	7,219	-
Deferred tax liabilities	-	-	-	2,557
Loans and borrowings	-	-	43,136	75,154
Policy holder retention scheme	-	-	2,300	2,224
Unearned premiums and unexpired provision	-	-	40,000	35,255
Outstanding claims	-	-	36,014	33,612
Trade and other payables	6,274	5,614	65,382	68,058
Deferred commission income	-	-	7,700	6,224
Due to re-insurers	-	-	13,195	21,235
Due to related parties	21,933	21,933	42,434	27,076
National fiscal stabilization levy payable	-	-	881	774
Current tax liabilities	2,746	7,164	4,708	8,065
Total liabilities	45,088	34,711	832,221	772,790
Total equity and liabilities	470,181	438,898	1,499,116	1,349,343

These financial statements were approved by the Board of Directors on 27 March 2020 and are signed on its behalf by:



Keli Gadzekpo
Group Chief Executive Officer



Fiifi Kwakye
Director

ENTERPRISE GROUP LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	The Company		The Group	
	2019	2018	2019	2018
Investment income	44,574	35,591	114,398	98,889
Fair value loss on investment property	-	-	(19,762)	(2,238)
Exchange difference on valuation of investment property	-	-	35,870	21,580
Investment expenses	-	-	(2,498)	(3,753)
Net investment income	44,574	35,591	128,008	114,478
Gross insurance premium	-	-	642,279	542,558
Insurance premium ceded to reinsurers	-	-	(101,664)	(87,085)
Net insurance premium	-	-	540,615	455,473
Change in unearned premium	-	-	(4,745)	(2,043)
Net insurance premium revenue	-	-	535,870	453,430
Gain on disposal of 30% share in EPL	-	28,389	-	6,531
Other income	4,233	2,144	50,210	32,728
	<u>4,233</u>	<u>30,533</u>	<u>50,210</u>	<u>39,259</u>
Net income	48,807	66,124	714,088	607,167
Insurance benefits and claims	-	-	(249,615)	(223,650)
Change in life fund	-	-	(75,731)	(59,923)
Net benefits and claims	-	-	(325,346)	(283,573)
Finance cost	(3,191)	-	(8,426)	(7,472)
Impairment loss on financial assets	-	-	333	(4,400)
Investment property write off	-	-	(4,781)	-
Operating expenses	(16,957)	(16,997)	(163,798)	(147,546)
Commission expense	-	-	(97,480)	(84,493)
Commission income	-	-	21,200	16,956
Net expenses	(20,148)	(16,997)	(578,298)	(510,528)
Profit before national fiscal stabilisation levy and income tax	28,659	49,127	135,790	96,639
National fiscal stabilisation levy	-	-	(6,073)	(4,442)
Income tax (expense)/credit	76	(6,475)	(12,492)	(4,248)
Profit for the year	28,735	42,652	117,225	87,949
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Foreign operations - translation difference	-	-	346	88
	-	-	346	88
Total comprehensive income for the year	28,735	42,652	117,571	88,037
Profit Attributable to:				
Owners of the parent	28,735	42,652	79,634	51,856
Non-controlling interest	-	-	37,591	36,093
	<u>28,735</u>	<u>42,652</u>	<u>117,225</u>	<u>87,949</u>
Total comprehensive income attributable to:				
Owners of the parent	28,735	42,652	79,894	51,922
Non-controlling interest	-	-	37,677	36,115
	<u>28,735</u>	<u>42,652</u>	<u>117,571</u>	<u>88,037</u>
Earnings per share for profit attributable to the equity holders of the company during the year				
Basic (GH¢ per share)	0.168	0.250	0.466	0.303
Diluted (GH¢ per share)	0.168	0.249	0.466	0.302

ENTERPRISE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Contingency reserve	Total	Non- controlling interests	Total Equity
Balance at 1 January 2018	37,268	-	147,478	748	1,836	32,945	220,275	88,504	308,779
<i>Total comprehensive income</i>									-
Profit for the year	-	-	51,856	-	-	-	51,856	36,093	87,949
Currency translation difference	-	-	-	66	-	-	66	22	88
Total comprehensive income	-	-	51,856	66	-	-	51,922	36,115	88,037
Transfer to contingency reserve	-	-	(9,108)	-	-	9,108	-	-	-
<i>Transactions with owners of the company</i>									
Proceeds from rights issue	219,721	-	-	-	-	-	219,721	-	219,721
Proceeds from vested share option	1,462	-	-	-	-	-	1,462	-	1,462
Transfer from share option reserve	435	-	-	-	(435)	-	-	-	-
Transactions cost for right issue	-	-	(3,610)	-	-	-	(3,610)	-	(3,610)
- Dividends to non-controlling interest -ELAC	-	-	-	-	-	-	-	(15,200)	(15,200)
- Dividends to non-controlling interest -ETL	-	-	-	-	-	-	-	(600)	(600)
Share option scheme:	-	-	-	-	-	-	-	-	-
- Value of employee services (Note 44)	-	-	-	-	(1,259)	-	(1,259)	-	(1,259)
Acquisition of a portion of NCI without a change in control	-	-	(8,533)	-	-	-	(8,533)	(13,240)	(21,773)
Disposal of 30% shares in EPL without a change in control	-	-	(24,303)	-	-	-	(24,303)	24,303	-
Proceeds from capital injection from BSHL	-	996	-	-	-	-	996	-	996
Total Transactions with owners of the company	221,618	996	(36,446)	-	(1,694)	-	184,474	(4,737)	179,737
Balance at 31 December 2018	258,886	996	153,780	814	142	42,053	456,671	119,882	576,553

ENTERPRISE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Deposit for shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Contingency reserve	Total	Non- controlling interests	Total Equity
Balance at 1 January 2019	258,886	996	153,780	814	142	42,053	456,671	119,882	576,553
<i>Total comprehensive income</i>									-
Profit for the year	-	-	79,634	-	-	-	79,634	37,591	117,225
Currency translation difference	-	-	-	260	-	-	260	86	346
Total comprehensive income	-	-	79,634	260	-	-	79,894	37,677	117,571
Transfer to contingency reserve	-	-	(10,373)	-	-	10,373	-	-	-
<i>Transactions with owners of the company</i>									
Write off of share option reserve	-	-	-	-	(142)	-	(142)	-	(142)
- Dividends to non-controlling interest -ELAC	-	-	-	-	-	-	-	(19,200)	(19,200)
- Dividends to non-controlling interest -ETL	-	-	-	-	-	-	-	(200)	(200)
- Transactions with NCI	-	-	(2,070)	-	-	-	(2,070)	2,070	-
- Dividend declared	-	-	(7,687)	-	-	-	(7,687)	-	(7,687)
Total Transactions with owners of the company	-	-	(9,757)	-	(142)	-	(9,899)	(17,330)	(27,229)
Balance at 31 December 2019	258,886	996	213,284	1,074	-	52,426	526,666	140,229	666,895

ENTERPRISE GROUP LIMITED
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	Stated capital	Retained earnings	Share option reserve	Total Equity
Balance at 1 January 2018	37,268	106,117	1,836	145,221
<i>Total comprehensive income</i>				
Profit for the year	-	42,652	-	42,652
Total comprehensive income	-	42,652	-	42,652
<i>Transactions with owners of the company</i>				
Proceeds from rights issue	219,721	-	-	219,721
Proceeds from vested share option	1,462	-	-	1,462
Transfer from share option reserve	435	-	(435)	-
Transactions cost for right issue	-	(3,610)	-	(3,610)
Share option scheme:	-	-	-	-
- Value of employee services	-	-	(1,259)	(1,259)
Total Transactions with owners of the company	221,618	(3,610)	(1,694)	216,314
Balance at 31 December 2018	258,886	145,159	142	404,187
Balance at 1 January 2019	258,886	145,159	142	404,187
<i>Total comprehensive income</i>				
Profit for the year		28,735	-	28,735
Total comprehensive income	-	28,735	-	28,735
<i>Transactions with owners of the company</i>				
Write off of share option reserve	-	-	(142)	(142)
Dividend declared	-	(7,687)	-	(7,687)
Total Transactions with owners of the company	-	(7,687)	(142)	(7,829)
Balance at 31 December 2019	258,886	166,207	-	425,093

ENTERPRISE GROUP LIMITED
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts are in thousands of Ghana cedis)

	The Company		The Group	
	2019	2018	2019	2018
Cash flows from operating activities				
Cash (used in)/generated from operations	(47,272)	(25,203)	127,026	64,649
Investment income received	17,917	9,254	124,595	101,236
Interest paid on lease liabilities	(1,219)	-	(809)	-
Interest paid on loans and borrowings	-	-	(7,215)	(7,439)
Income tax paid	(4,497)	(33)	(14,183)	(8,641)
National fiscal stabilisation levy paid	-	-	(5,843)	(3,830)
Net cash (used in)/ from operating activities	<u>(35,071)</u>	<u>(15,982)</u>	<u>223,571</u>	<u>145,975</u>
Cash flows from investing activities				
Purchases of equity securities	-	-	(4,137)	(21,778)
Proceeds from sale of equity securities	-	-	493	324
Net purchase of unlisted debt securities	45,681	(48,012)	(97,735)	(108,860)
Acquisition of investment property	-	-	(5,931)	(9,944)
Acquisition of property and equipment	(3,322)	(5,859)	(20,754)	(16,815)
Proceeds from sale of property and equipment	106	62	416	617
Purchase of intangible assets	-	-	-	(884)
Proceeds from net sale and buy back of shares	-	3,955	-	3,955
Dividend received from subsidiaries	37,800	15,800	-	-
Dividend received from equity securities held	1	28	3,494	1,006
Net cash generated/(used in)from investing activities	<u>80,266</u>	<u>(34,026)</u>	<u>(124,154)</u>	<u>(152,379)</u>
Cash flows from financing activities				
Dividends paid to non-controlling interest	-	-	(27,131)	(23,209)
Dividends paid to equity shareholders	(7,687)	-	(7,687)	-
Proceeds from issue of shares	-	219,720	-	219,720
Proceeds from vested shares	-	1,463	-	1,463
Payment to BSHL for share buy back in ELAC	-	(82,328)	-	(82,328)
Repayment of loan principal	-	-	(40,760)	-
Transaction cost paid on right issue	-	(3,610)	-	(3,610)
Proceeds from capital injection from BSHL	-	-	-	8,585
Principal lease payments	<u>(1,332)</u>	<u>-</u>	<u>(2,143)</u>	<u>-</u>
Net cash (used in)/ generated from financing activities	<u>(9,019)</u>	<u>135,245</u>	<u>(77,721)</u>	<u>120,621</u>
Net increase in cash and cash equivalents	36,176	85,237	21,696	114,217
Cash and cash equivalents at beginning of year	122,901	35,478	291,921	173,643
Effect of exchange difference on cash held	<u>4,127</u>	<u>2,186</u>	<u>8,558</u>	<u>4,061</u>
Cash and cash equivalents at end of year	163,204	122,901	322,175	291,921

ENTERPRISE GROUP LIMITED

NOTES FORMING PART OF THE CONDENSED AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 General Information

Enterprise Group Limited is a Company registered and domiciled in Ghana with a registered office address of Advantage Place, Mayor Road, Ridge West, PMB GP150, Accra. Enterprise Group Limited and its subsidiaries (collectively the Group) undertakes the business of investments, life and non-life insurance underwriting, pensions funds management, provision of funeral services and real estate development and management.

2 Basis of Preparation

2.1 Basis of accounting

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

The condensed audited consolidated and separate financial statements have been prepared under the historical cost conversion, except for investment properties, insurance contract liabilities and financial assets held at fair value through profit or loss which have been measured at fair value.

The condensed audited consolidated and separate financial statements presented in this publication are extracts from the audited consolidated and separate financial statement for the year ended 31 December 2019, which are available for the inspection at the Head Office of Enterprise Group Limited located at Advantage Place, Mayor Road, Ridge West, PMB GP150, Accra.

2.2 Functional and presentation currency

The condensed audited consolidated and separate financial statements are presented in Ghana Cedi (GH¢), which is the functional currency of the Company. All financial information presented in Ghana Cedis have been rounded to the nearest thousands, except when otherwise stated.

3 Summary of significant accounting policies

The principal accounting policies have been consistently applied in the preparation of these condensed audited consolidated and separate financial statements except for IFRS 16 Leases which has been applied to the current year.

4 Critical accounting estimates and judgements

In the preparation of the annual consolidated and separate financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the consolidated and separate financial statements within the next financial period. The impact of such revisions is recognised in the period in which the estimates are revised and any future period impacted.



REPORT OF THE DIRECTORS

The directors present their report together with the audited condensed consolidated and separate financial statements for the year ended 31 December 2019, which discloses the state of affairs of Enterprise Group Limited (“the Company”) and its subsidiaries (together the “Group”)

Directors’ responsibility statement

The Directors are responsible for the preparation of the condensed consolidated and separate financial statements that give a true and fair view of the Group, comprising the condensed consolidated and separate statements of financial position at 31 December 2019, and the condensed consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, which are derived from the audited consolidated and separate financial statements of Enterprise Group Limited for the year ended 31 December 2019. The audited consolidated and separate financial statements were prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and other applicable law or regulation. In addition, the Directors are responsible for the preparation of the Report of the Directors.

Going Concern

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

Nature of business

The principal activities of the Company and its subsidiaries (the “Group”) continued to be undertaking the business of investments, life and non-life insurance underwriting, pension funds management, provision of funeral services and real estate development and management.

Approval of the audited consolidated and separate financial statements

The audited consolidated and separate financial statements of the Group were approved on 27 March 2020 by the Board of Directors

Keli Gadzekpo
Group Chief Executive Officer

Fiifi Kwakye
Director



INDEPENDENT AUDITOR'S REPORT

To the Members of Enterprise Group Limited

Opinion

The condensed consolidated and separate financial statements, which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Enterprise Group Limited for the year ended 31 December 2019.

In our opinion, the accompanying condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) applied in the preparation of the audited consolidated and separate financial statements of Enterprise Group Limited. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 20 April 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the condensed consolidated and separate financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Dennis (ICAG/P/1426).

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For and on behalf of: KPMG:

(ICAG/F/2020/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

P O BOX GP 242

ACCRA

20 April 2020