SIC INSURANCE PLC

2023 UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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 PLC
REPORTS AND UNAUDITED FINANCIAL STATEMENTS
For the period ended 30 June, 2023

CONTENTS

SIC INSURANCE PLC
DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Board of Directors:

Dr. Jimmy Ben Heymann	Chairman
Mr. Stephen Oduro	Managing 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
Dr.Aguriba Abugri	Non-Executive Director
Hon John Frimpong Osei	Non-Executive Director
Mrs Christina Sutherland	Non-Executive Director
Dr Kingsley Agyemang	Non-Executive Director

Executive Management:

Mr. Stephen Oduro	Managing Director
Mr. Faris Attrickie	General Manager, Operations
Mr. Kenneth V Acolatse	General Manager, Fin & Admin

Company Secretary: Mrs. Lydia Hlomador

Registered Office:
Nyemitei House
No 15 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:
Baker Tilly (Andah + Andah (BTA+A)
Chartered Accountants.
C726/3, Nyanyo Lane
Asylum Down, Accra
DA: GA-027-0487

Registrars:
The Registrar
NTHC 18 Gamel Abdul Nasser Avenue, Ringway Estates
(Oposite British High Commission) Osu - Accra
P.O Box KIA 9563, Airpot - 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 PLC
DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report of the company
For the period ended 30 June, 2023

1. **Principal activities**
The principal activity of the Company is to undertake non-life insurance business

2. **Results for the period**

	2023 GH¢
The balance brought forward on income surplus account at 1 January was	103,013,270
Balance as restated	**103,013,270**
To which must be added:	
Profit/(Loss) for the period after charging all expenses, depreciation and taxation of	11,127,444
	114,140,714
From which is made an appropriation to contingency reserve.	(5,450,529)
	108,690,185
Dividend paid	-
Leaving a balance to be carried forward on retain earnings account of	**108,690,185**

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

4. **Corporate Social responsibility**
An amount of GH¢ 677,960 was spent on fulfilling the social responsibility of the company (2022: GH¢ 293,214)
Sponsorship activities for 2023 covered the following areas:
• Health
• Education
• Sports

5. Interest of directors

There was no change in the interest of directors.

6. Major transactions

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

7. Auditors

In accordance with Section 139 (1) of the companies Act, 2019 (Act 992), the auditors Messrs. BakerTilly Andah + Andah will continue as the auditors of the company

8. Approval of Financial Statements

The Unaudited Financial Statements of SIC Insurance Plc. as indicated above were approved by the Board of Directors on 07-08-23 and are signed on their behalf by:

Dr. Jimmy Ben Heymann **Board Chairman**	**Mr Stephen Oduro** **Managing Director**

Mr. Christian Tetteh Sottie
Director

SIC INSURANCE PLC

Unaudited Financial Highlights as at 30 June 2023

	2023 GH¢	2022 GH¢
Gross premium written	**181,684,290**	139,319,448
Net premium written	**109,353,730**	93,173,570
Claims incurred	**(15,117,157)**	(33,493,943)
Underwriting Profit/Loss	**9,727,148**	(20,014,673)
Profit/Loss before tax	**15,896,349**	15,713,383
Profit/Loss after tax	**11,127,444**	10,999,368
Shareholders' funds	**405,424,994**	378,257,447
Net assets	**405,424,994**	378,257,447
Total assets	**740,749,043**	686,805,143
Number of shares issued and fully paid for	**195,645,000**	195,645,000
Earnings per share (GH¢)	**0.0569**	0.0562
Net assets per share (GH¢)	**2.0722**	1.9334
Current ratio	**1.3428**	**1.5279**
Return on shareholders funds	**2.74%**	3%

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 2021 (Act 1061).

SIC INSURANCE PLC

Statement of unaudited Financial Position
As at 30 June 2023

	Note	2023 GH¢	2022 GH¢
ASSETS			
Non-Current Assets			
Property, plant & equipment	21	129,053,513	139,399,327
Intangible assets	22	32,676	75,989
ROU asset	23	2,868,861	2,921,665
Investment properties	24	78,510,360	33,500,959
Long term investment	25	125,173,946	100,027,289
Investment in subsidiary	26	12,878,526	12,878,526
Investment in associated companies	27	39,596,746	34,996,532
		388,114,627	323,800,288
Current assets			
Short term investments	28	167,663,431	230,406,037
Trade & other receivables	29	39,452,837	26,664,065
Inventories	30	1,741,231	1,842,551
Unearned reinsurance premium	5	50,910,602	37,192,536
Cash and bank balances	31a	92,866,315	66,899,668
Total current assets		352,634,416	363,004,856
Total assets		740,749,043	686,805,145
Equity and liabilities			
Equity			
Stated capital	32	25,000,000	25,000,000
Capital reserve	33	125,895,388	122,212,764
Retain earnings		108,690,185	113,506,392
Contingency reserve	34	65,850,585	53,230,035
Available-for-sale reserves	35	83,893,211	67,188,642
Other reserves		(3,904,375)	(2,880,385)
Shareholders funds		405,424,994	378,257,447
Non-current liabilities			
Long term loan	38	7,669,441	12,943,580
Employee benefit scheme	39	17,932,929	15,524,097
Deferred tax	20d	47,118,362	42,495,710
		72,720,732	70,963,387
Current liabilities			
Bank Overdraft	31b	-	4,228,099
Unearned premium	5	136,957,033	107,886,367
Outstanding claims	8a	43,530,961	41,122,138
Trade & other payables	36	72,298,481	49,188,049
Lease liabilities	37	2,805,242	2,391,398
Taxation	20a	6,096,897	29,217,610
National stabilisation levy	20b	914,704	3,550,647
Total current liabilities		262,603,318	237,584,309
Total liabilities		335,324,049	308,547,695
Total equity and liabilities		740,749,043	686,805,143

The Unaudited Financial Statements were approved by the Board of Directors on 07-08-23 and signed on their behalf by:

SIC INSURANCE PLC

Statement of unaudited Comprehensive Income
For the period ended 30 June, 2023

	Note	2023 GH¢	2022 GH¢
Gross premium written	5,6	181,684,290	139,319,448
Less: Reinsurances	7	(72,330,560)	(46,145,879)
Net premium written		109,353,730	93,173,570
Movement in unearned premium	5	(12,796,258)	(8,778,370)
Net premium earned		96,557,472	84,395,200
Claims incurred	8	(15,117,157)	(33,493,943)
Commissions	9	(4,415,287)	(8,399,377)
Management expenses	10	(67,297,880)	(62,516,552)
Underwriting (Loss)/Profit		9,727,148	(20,014,673)
Investment income	11	5,454,077	22,509,019
Other income	12	9,228,677	14,344,746
Share of associate profit		-	-
Finance costs	13	(1,029,291)	(1,125,710)
Profit/Loss before Tax & Exceptional Item		23,380,611	15,713,383
Impairment on investment	14	(7,484,262)	-
Profit/Loss before tax		15,896,349	15,713,383
Taxation	20a	(3,974,087)	(3,928,346)
National stabilisation levy	20b	(794,817)	(785,669)
Profit/Loss after tax		11,127,444	10,999,368
Other Comprehensive Income			
net change in fair value of available for sale financial assets		(899,392)	(264,722)
Deferred tax			-
Revaluation surplus			-
Acturial loss on Employee benefits		-	-
Total Comprehensive Income		10,228,052	10,734,646
Basic earning per share		0.0569	0.0562

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

SIC INSURANCE PLC

tatement of unaudited changes in shareholders funds
'or the period ended 30 June, 2023

ompany

2022	Stated capital GH¢	Retain earnings GH¢	Contingency reserves GH¢	Capital reserve GH¢	Available-for sale reserves GH¢	Other reserves GH¢	Total GH¢
alance at 1 January 2022	**25,000,000**	**106,686,607**	**49,050,450**	**122,212,764**	**67,453,364**	**(2,880,385)**	**367,522,800**
rofit for the year	-	10,999,368	-	-	-	-	**10,999,368**
Transfer (from)/to reserve	-	(4,179,583)	4,179,583	-	-	-	-
evaluation on PPE				-	-	-	-
cturial movement in employee benefit						-	-
Net loss on avai-for-sale invest.	-	-	-	-	(264,722)	-	**(264,722)**
pproved dividend		-	-	-	-	-	-
eferred tax adjustment		-	-	-	-	-	-
alance at 30 June 2022	**25,000,000**	**113,506,392**	**53,230,034**	**122,212,764**	**67,188,642**	**(2,880,385)**	**378,257,446**

023	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 2023	**25,000,000**	**103,013,270**	**60,400,057**	**125,895,388**	**84,792,602**	**(3,904,375)**	**395,196,941**
Profit for the year	-	11,127,444	-	-	-	-	**11,127,444**
cturial loss on Employee benefit						-	-
Transfer to reserve	-	(5,450,529)	5,450,529	-	-		-
Prior year adjustment	-	-	-	-	-	-	-
et gain on avai-for-sale invest.	-	-	-	-	(899,392)	-	**(899,392)**
Deferred Tax				-	-	-	-
Approved Dividend	-	-	-	-	-	-	-
alance at 30 June 2023	**25,000,000**	**108,690,185**	**65,850,585**	**125,895,388**	**83,893,211**	**(3,904,375)**	**405,424,994**

SIC INSURANCE PLC
Statement of unaudited Cash flow Position
For the period ended 30 June, 2023

	2023	2022
	GH¢	GH¢
Operating activities		
Operating profit(loss)	15,896,349	15,713,383
	15,896,349	15,713,383
Adjustment to reconcile profit before tax to net cash		
Non-cash:		
Depreciation	5,861,453	5,739,452
Amortisation of intangible assets	6,535	36,779
Lease amortisation	-	-
Gain/loss on disposal of investment property	-	-
Gain/loss on disposal of property, plant and equipment	-	-
Revaluation (gain)/loss on investment properties	-	-
Share of associate profit	-	-
Net gain on available for sale invesment	(899,392)	
Interest received	(5,196,191)	(22,509,019)
Dividend received	(257,886)	-
Dividend approved but not paid	-	-
Adjustment	-	-
Acturial loss on employee benefit	-	-
Working capital adjustments:		
Change in provision for unearned prem	(7,510,249)	(13,836,238)
Change in receivables	2,669,940	110,581,253
Change in inventories	-	-
Change in trade & other payables	(24,640,206)	(1,845,705)
Change in provision for claims	(2,311,245)	5,536,271
Change in unearned reinsurance premium	20,306,506	22,614,608
Tax paid	(871,026)	(5,864,324)
National stabilisation levy paid	(174,206)	(572,864)
Change in employee benefits	-	-
Adjustment	-	-
Net cash generated/(used) in operating activities	2,880,383	115,593,595
Investing activities		
Acquisition of property, plant and equipment	(664,856)	(2,595,356)
Acquisition of intangible assets	-	-
Proceeds from sale of property, plant and equipment	-	-
Addition to right of use asset	-	-
Purchase of long term investment	899,392	
Disposal of investment property	-	(94,590)
Additions to investment property	-	-
Dividend received	257,886	-
Interest received	5,196,191	22,509,019
Net cash generate/(used)from investing activities	5,688,612	19,819,073
Financing activities		
Increase/Decrease in lease liability	(659,206)	(528,717)
Movement in borrowings	(2,800,992)	(1,858,350)
Net cash generated/(used)in servicing of finance	(3,460,198)	(2,387,067)
Changes in cash and cash equivalents	5,108,797	133,025,601
Cash at 1 January	255,420,949	160,052,004
Cash at 30 June	260,529,746	293,077,606
Analysis of changes in cash and cash equivalents		
Cash and bank	92,866,315	66,899,668
Bank Overdraft	-	(4,228,099)

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

. Reporting Entity

SIC Insurance PLC 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 PLC has a primary listing on the Ghana Stock Exchange.

. 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;
IFRS 15 Revenue
IFRS 16 Leases
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;
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.

). *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.

i). ***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.

i). ***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.

ii). **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.

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

ii). ***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***
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.
Lease payments included in the measurement of the lease liability comprise:
Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The amount expected to be payable by the lessee under residual value guarantees.

The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.
Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The amount expected to be payable by the lessee under residual value guarantees.

The lease liability is presented as a separate line in the consolidated statement of financial position.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.
The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset

is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.
The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.
Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets. Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts.

The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17

Because of this change, the Company has reclassified certain of its sub-lease agreements as finance leases. As required by IFRS 9, an allowance for expected credit losses has been recognised on the finance lease receivables.
For tax purposes the Company receives tax deductions in respect of the right-of-use assets and the lease liabilities in a manner consistent with the accounting treatment.
The application of IFRS 16 has an impact on the consolidated statement of cash flows of the Company.
Under IFRS 16, lessees must present:
• Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
• Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Company has opted to include interest paid as part of financing activities); and
• Cash payments for the principal portion for a lease liability, as part of financing activities.
Under IAS 17, all lease payments on operating leases were presented as part of cash flows from operating activities

(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.

i). **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.

). ***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 June 2023 Amount GH¢**	**Scenario 1 5% increase GH¢**	**Scenario 2 5% decrease GH¢**
Pre-tax profit/(Loss)	**794,817**	**15,896,349**	**16,691,166**	**15,101,531**
Shareholders' equity	**20,271,250**	**405,424,994**	**425,696,244**	**385,153,744**

	5% change in interest rate GH¢	30 June 2022 Amount GH¢	Scenario 1 5% increase GH¢	Scenario 2 5% decrease GH¢
Pre-tax profit/(Loss)	785,669	15,713,383	16,499,052	14,927,714
Shareholders' equity	18,912,872	378,257,447	397,170,320	359,344,575

Assuming no management actions, a series of such rises would increase pre-tax profit/loss for June 2023 by **GH¢794,817** while a series of such falls would decrease pre-tax profit/loss for June 2023 by **GH¢794,817**. Also a series of such rises would increase the shareholders' equity by **GH¢20,271,250** whilst a series of such falls would decrease shareholders' equity by **GH¢20,271,250.**

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 2020 nd 2019 is the same as the balances of the various financial assets in the statement of financial position listed below

	2023	2022
	GH¢	GH¢
Short term investments	**167,663,431**	230,406,037
Trade and other receivables	**39,452,837**	26,664,065
Cash and bank balances	**92,866,315**	66,899,668
	299,982,583	323,969,769

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.

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

Maturity analysis of financial assets and liabilities

2023	Carrying amount	Up to one year	More than one year	**2023 Total**	2022 Total
	GH¢	GH¢	GH¢	**GH¢**	GH¢
Financial assets					
Short term investments	167,663,431	167,663,431	-	**167,663,431**	230,406,037
Other receivables	39,452,837	39,452,837	-	**39,452,837**	26,664,065
Unearned reinsurance premium	50,910,602	50,910,602	-	**50,910,602**	37,192,536
Cash and bank balances	92,866,315	92,866,315	-	**92,866,315**	66,899,668
Total undiscounted assets	350,893,184	350,893,184	-	**350,893,184**	361,162,305
Financial liability					
Bank overdraft	-	-	-	-	4,228,099
Insurance contract liabilities	180,487,994	180,487,994	-	**180,487,994**	149,008,505
Borrowings	7,669,441	7,669,441	-	**7,669,441**	12,943,580
Trade and other accounts payable	72,298,481	72,298,481	-	**72,298,481**	49,188,049
Total undiscounted liabilities	260,455,916	260,455,916	-	**260,455,916**	215,368,233
Total liquidity gap	90,437,269	90,437,269	-	**90,437,269**	145,794,072

!). ***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.

		30 June 2023	**Scenario 1**	**Scenario 2**
	10% change in exchange rate	**Amount**	**10% increase**	**10% decrease**
2023	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Pre-tax profit	**1,589,635**	**15,896,349**	**17,485,984**	**14,306,714**
Shareholders' equity	**40,542,499**	**405,424,994**	**445,967,493**	**364,882,495**

		30 June 2022	Scenario 1	Scenario 2
	10% change in exchange rate	Amount	10% increase	10% decrease
2022	GH¢	GH¢	GH¢	GH¢
Pre-tax profit	1,571,338	15,713,383	17,284,722	14,142,045
Shareholders' equity	37,825,745	378,257,447	416,083,192	340,431,702

Assuming no management actions, a series of such rises would increase pre-tax profit/loss for June 2023 by **GH¢1,589,635** while a series of such falls would decrease pre-tax profit/loss for June 2023 by **GH¢1,589,635**. Also a series of such rises would increase the shareholders' equity by **GH¢40,542,499** whilst a series of such falls would decrease shareholders' equity by **GH¢40,542,499.**

The following significant exchange rates were applied during the year:

	2023 GH¢ Selling	**2023 GH¢ Buying**	2022 GH¢ Selling	2022 GH¢ Buying
US Dollar	**11.8700**	**10.8700**	7.2341	7.2269
GB Pound	**14.9850**	**13.7145**	8.8090	8.7995
Euro	**12.8700**	**11.7785**	7.5835	7.5759

4. Application of new and revised standards, amendments and interpretations

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018)

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.
The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1 Classification of Liabilities as Current or Non-current
Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS
Standards 2018-2020 Cycle Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.
In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

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

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – Reference to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to four Standards.
IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16
In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-

19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.
In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

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**	**2023 Total**	2022 Total
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**	GH¢
Gross written Premium	72,340,325	47,104,871	49,006,197	13,232,897	**181,684,290**	139,319,448
Reinsurances	(5,678,476)	(38,221,718)	(15,807,669)	(12,622,697)	**(72,330,560)**	(46,145,879)
Net written premiums	**66,661,849**	**8,883,153**	**33,198,528**	**610,199**	**109,353,730**	93,173,570
Movement in unearned premium	(8,685,312)	1,506,367	(5,688,808)	71,495	**(12,796,258)**	(8,778,370)
Premium earned	**57,976,537**	**10,389,521**	**27,509,720**	**681,695**	**96,557,472**	84,395,200
Commissions	(7,238,972)	2,261,613	185,230	376,843	**(4,415,287)**	(8,399,377)
	50,737,565	**12,651,133**	**27,694,950**	**1,058,538**	**92,142,186**	75,995,822
Claims	(11,568,262)	1,170,602	(4,577,500)	(141,998)	**(15,117,157)**	(33,493,943)
	39,169,303	**13,821,736**	**23,117,449**	**916,540**	**77,025,028**	42,501,878
Management expenses	(26,795,660)	(17,448,168)	(18,152,440)	(4,901,612)	**(67,297,880)**	(62,516,552)
Underwriting results transferred to Rev. A/c	**12,373,643**	**(3,626,432)**	**4,965,009**	**(3,985,072)**	**9,727,148**	(20,014,673)
Total assets					**740,749,043**	601,060,583
Total liabilities					**335,324,049**	304,913,406
Shareholders funds					**405,424,994**	296,147,177

Unearned premium	**Motor**	**Fire**	**Accident**	**Marine & Aviation**	**2023 Total**	2022 Total
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**	GH¢
Unearned Premium - Start	56,405,434	67,957,784	15,410,439	4,693,625	**144,467,282**	121,722,605
Unearned Rein Prem - Start	(1,631,783)	(61,807,234)	(3,899,440)	(3,878,651)	**(71,217,108)**	(59,807,144)
Unearned Prem - Close	(67,279,110)	(35,544,934)	(24,781,155)	(9,351,834)	**(136,957,033)**	(107,886,367)
Unearned Rein Prem - Close	3,820,147	30,900,751	7,581,348	8,608,356	**50,910,602**	37,192,536
Movement in Unearned Prem	**(8,685,312)**	**1,506,367**	**(5,688,808)**	**71,495**	**(12,796,258)**	(8,778,370)

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

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

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

	2023	2022
	GH¢	GH¢
Motor	72,340,325	58,178,950
Fire	47,104,871	39,574,596
Accident	49,006,197	32,418,640
Marine and aviation	13,232,897	9,147,262
	181,684,290	139,319,448

7. Reinsurances ceded

	GH¢	GH¢
Motor	5,678,476	2,407,683
Fire	38,221,718	26,614,767
Accident	15,807,669	8,001,862
Marine and aviation	12,622,697	9,121,567
	72,330,560	46,145,879

8a Claims incurred

	2023 GH¢	2022 GH¢
Payments during the year	**23,322,799**	34,715,359
Claims outstanding as at 30 June	**43,530,961**	41,122,138
	66,853,760	75,837,497
Claims outstanding at 1-Jan	**(45,842,206)**	(35,585,867)
	21,011,554	40,251,631
Net recoveries	**(5,894,396)**	(6,757,688)
Claims net of recoveries	**15,117,157**	33,493,943

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)

	2023 GH¢	2022 GH¢
Income	**14,512,760**	9,374,585
Expense	**(18,928,046)**	(17,773,963)
Net commissions	**(4,415,287)**	(8,399,377)

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

10. Management expenses

Mangement expenses is stated after charging:

	2023	2022
	GH¢	GH¢
Directors' emoluments	398,980	359,760
Staff cost	39,877,786	33,422,392
Depreciation	5,861,453	5,739,452
Software amortisation	6,535	36,779

11. Investment Income

	2023	2022
	GH¢	GH¢
Dividend	257,886	-
Interest on fixed deposits	1,110,715	9,954,441
Interest on treasury bills	4,074,277	12,541,684
Other investment income	11,198	12,894
	5,454,077	22,509,019

12. Other income

	2023	2022
	GH¢	GH¢
Rent	123,998	10,000
Sale of stickers	2,720,938	1,700,032
Medical income	1,118,933	1,385,862
Sundry income	1,126,890	6,554,625
Gain on exchange	4,137,917	4,694,228
	9,228,677	14,344,746

13. Finance charge

	2023	2022
	GH¢	GH¢
Overdraft & Other Charges	1,029,291	1,125,710

14. Impairment on investment

	2023	2022
	GH¢	GH¢
Impaired investment	7,484,262.15	-

Funds that have been invested in SIC FSL fund management portfolio have become irrecoverable. Management has taken the decision to write off these investment.

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

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.

	2023	2022
	GH¢	GH¢
Profit attributable to the Company's equity holders	**11,127,444**	10,999,368
Weighted average number of ordinary shares in issue	**195,645,000**	195,645,000
Basic earnings per share	**0.0569**	0.0562

16. Financial instruments classification summary

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

	2023	2022
	GH¢	GH¢
Available-for-sale (Note 17)	**124,906,306**	99,753,649
Receivables (including insurance receivables)(Note 18)	**2,495,473**	4,272,814

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

	2023	2022
	GH¢	GH¢
Equity securities:		
Listed	**8,444,944**	10,539,115
Unlisted	**116,461,362**	89,214,535
Total available-for-sale financial assets	**124,906,306**	99,753,649

18. Receivables

	2023	2022
	GH¢	GH¢
i). **Receivables arising from insurance and reinsurance contracts:**		
Due from policy holders	-	-
Due from agents, brokers and intermediaries	**2,495,473**	4,272,814
Total receivables including insurance	**2,495,473**	4,272,814
Current portion	**2,495,473**	4,272,814

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

	2023 GH¢	2022 GH¢
Claims reported and loss adjustment expenses	**28,996,218**	27,338,126
Claims incurred but not reported (IBNR)	**14,534,743**	13,784,012
Unearned premiums	**136,957,033**	107,886,367
Total insurance liabilities	**180,487,994**	149,008,505

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/Jun GH¢
Up to 2022	2,993,836	-	-	2,993,836
2023	-	3,974,087	(871,026)	3,103,061
	2,993,836	**3,974,087**	**(871,026)**	**6,096,897**

(b) Reconstruction/Stabilization levy				
Up to 2022	294,092	-	-	294,092
2023	-	794,817	(174,206)	620,612
	294,092	794,817	(174,206)	914,704
	3,287,928	4,768,905	(1,045,232)	**7,011,601**

(c) Income tax expenses

	2023 GH¢	2022 GH¢
Corporate tax	**3,974,087**	3,928,346
Deferred tax	-	-
National stabilization levy	**794,817**	785,669
	4,768,905	3,928,346

(d) Deferred tax

	2023 GH¢	2022 GH¢
Balance at 1st January	**47,118,362**	42,495,710
Charge to P&L	-	-
Charge to OCI	-	-
Balance as at 30 June	**47,118,362**	42,495,710

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

11. Property, plant and equipment

2023	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.	124,156,725	4,380,314	20,003,482	-	2,987,361	3,282,034	24,364,254	**179,174,170**
Additions for the year	-	-	-	-	145,726	-	519,130	**664,856**
Disposal/Adjustments	-	-	-	-	-	-	-	-
Balance as at 30 June	**124,156,725**	**4,380,314**	**20,003,482**	-	**3,133,087**	**3,282,034**	**24,883,384**	**179,839,026**
Accumulated Depreciation								
Balance as at 1st Jan.	22,920,225	522,558	633,315	-	2,416,005	-	18,431,957	**44,924,060**
Charge for the year	4,581,501	68,122	97,829	-	132,671	-	981,331	**5,861,453**
Disposal	-	-	-	-	-	-	-	-
Adjustment					-			-
Balance as at 30 June	27,501,726	590,680	731,144	-	2,548,676	-	19,413,288	**50,785,513**
Net book value	**96,654,999**	**3,789,634**	**19,272,338**	-	**584,411**	**3,282,034**	**5,470,096**	**129,053,513**

2022	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.	122,938,931	4,380,314	20,003,482	-	2,403,184	3,282,034	22,436,907	**175,444,852**
Additions for the year	962,794	-	-	-	286,456	-	1,346,106	**2,595,356**
Revaluation	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	(119,700)	(119,700)
Balance as at 30 June	123,901,725	4,380,314	20,003,482	-	2,689,640	3,282,034	23,663,313	**177,920,507**
Accumulated Depreciation								
Balance as at 1 January	13,757,226	386,314	437,656	-	2,185,269	-	16,134,965	**32,901,429**
Charge for the year	4,569,913	68,122	97,829	-	35,026	-	968,562	**5,739,452**
Revaluation	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(119,700)	**(119,700)**
Balance as at 30 June	18,327,138	454,435	535,485	-	2,220,295	-	16,983,827	**38,521,181**
Net book value	**105,574,586**	**3,925,878**	**19,467,997**	-	**469,345**	**3,282,034**	**6,679,486**	**139,399,327**

22. Intangible assets

Computer software

Cost	2023 GH¢	2022 GH¢
Balance as at 1 January	1,802,843	1,802,843
Additions	-	-
Balance as at 30 June	**1,802,843**	1,802,843
Amortisation		
Balance as at 1 January	1,763,632	1,690,074
Charge for the year	6,535	36,779
Balance as at 30 June	**1,770,167**	1,726,853
Net book value	**32,676**	75,989

23 ROU asset

Cost	2023 GH¢	2022 GH¢
Balance as at 1 January	7,594,245	5,782,456
Additions	-	-
Balance as at 30 June	**7,594,245**	5,782,456
Amortisation	-	
Balance as at 1 January	4,725,383	2,860,790
Charge for the year	-	-
Balance as at 30 June	**4,725,383**	2,860,790
Net book value	**2,868,861**	2,921,665

Depreciation expense of GH¢5,861,453(2022: GH¢ 5,739,452) has been charged in management expenses.

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

24. Investment properties

	Leasehold properties	Freehold land & buildings	**2023 Total**	2022 Total
	GH¢	GH¢	**GH¢**	GH¢
Balance as at 1 January	47,592,341	30,918,019	**78,510,360**	33,406,369
Transfer/Disposal	-		-	-
Addition/Revaluation gain	-	-	-	**94,590**
Balance as at 30 June	47,592,341	30,918,019	**78,510,360**	33,500,959

25. Long term investments

	2023	2022
	GH¢	GH¢
Equity shares	**124,906,306**	99,753,649
Mutual fund	**267,640**	273,640
	125,173,946	100,027,289

26. Investment in subsidiary

	2023	2022
	GH¢	GH¢
Balance as at 1st January	**12,878,526**	12,878,526
Adjustments during the year(revaluation)	-	-
Balance as at 30 June	**12,878,526**	12,878,526

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

	2023 GH¢	2022 GH¢
Balance at 1 January	39,596,746	34,996,531
Movement in investment	-	-
Balance as at 30 June	39,596,746	34,996,531

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

28. Short-term investments

	2023 GH¢	2022 GH¢
Ghana Gov't treasury bills/Bonds	139,211,631	187,744,419
Bank time deposits	28,451,800	42,661,618
	167,663,431	230,406,037

Included in Ghana Gov't Treasury bill/Bonds is a statutory deposit of GHS 7,523,606(2022: GHS 6,207,172)

The statutory deposit represents an escrow agreement between the National Insurance Commission (NIC) and SIC Insurance PLC. 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

	2023 GH¢	2022 GH¢
Premium debtors	-	-
Accrued income and prepayments	16,897,799	171,426
Staff debtors	2,502,409	2,436,478
Sundry debtors	16,099,458	18,467,645
Agents & reinsurance balance	2,495,473	4,272,814
Rent debtors	1,457,698	1,315,701
	39,452,837	26,664,065

30. Inventories

	2023 GH¢	2022 GH¢
Fuel and lubricants	95,819	84,987
Medical Stores	833,094	1,022,119
Stationery and printing stock	545,982	563,497
Computer stationery Stock	266,336	171,949

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

31a. Cash and cash equivalents

	2023	2022
	GH¢	GH¢
Cash at bank and in hand	92,866,315	66,899,668
	92,866,315	66,899,668

b Bank Overdraft

	2023	2022
	GH¢	GH¢
Ecobank	-	4,228,099
	-	4,228,099

Ecobank

The company had an overdraft facility of GH¢7,000,000 with the bank to support the company's operational expenses requirement. Interest rate was at 16.42% per annum and expired on 31st August 2022.

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:

	2023	2022
	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:

	2023	2022
	GH¢	GH¢
Balance at 1 January	125,895,386	122,212,764
Revaluation gain / loss - PPE	-	-
Deferred tax effect	-	-

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

34 Contingency reserve

	2023	2022
	GH¢	GH¢
Balance at 1 January	60,400,055	49,050,450
Transfer from income surplus	5,450,529	4,179,583
Balance as at 30 June	65,850,584	53,230,034

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

	2023	2022
	GH¢	GH¢
Balance at 1 January	84,792,602	67,453,364
Fair valuation gain/(loss)	(899,392)	(264,722)
Adjustment	-	-
Balance as at 30 June	83,893,211	67,188,641

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

36 Trade & other payables

	2023	2022
	GH¢	GH¢
Agents & brokers	8,210,943	8,393,166
Reinsurers	46,398,556	22,190,604
Sundry creditors	17,688,981	18,604,279
	72,298,481	49,188,049

37 Lease liability

	2023	2022
	GH¢	GH¢
Balance as at 1 January	3,464,448	2,391,398
Additions/Adjustments	-	-
interest expense	-	-
Interest paid	-	-
Repayment of Principal	(659,206)	-
Exchange loss on lease liabilities	-	-
Balance as at 30 June	2,805,242	2,391,398

38 Borrowings

	2023	2022
	GH¢	GH¢
Ghana International Bank	7,669,441	12,943,580

The company has a medium term loan facility of GBP 2,000,000 with the Ghana International Bank at an interest rate 6.5%pa. The loan will expire on 22 May 2026.

39 Employee benefit scheme

	2023	2022
	GH¢	GH¢
Staff benefit provisions	17,932,929	15,524,097

40 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

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

41 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:

		2023	2022
ı.	The following transactions were carried out with related parties;	**GH¢**	GH¢
i)	**Social Security & National Insurance Trust**		
	Premium income	**840,282**	1,033,564
	Claims paid	**42,416**	208,898
ıi)	**Ghana Reinsurance Company Limited**		
	Premium income	**2,367**	20,761
	Claims paid	-	-
iii)	**SIC Life Insurance Company**		
	Premium income	**396,046**	302,549
	Claims paid	**5,150**	60,384
	Dividend received from SIC Life		
˙v)	**Ghana Commercial Bank Limited**		
	Premium income	**3,925,389**	3,122,802
	Claims paid	**221,644**	215,491
ʳ)	**Ghana Cocoa Board**		
	Premium income	**22,403**	26,958
	Claims paid	**7,995**	-
ʻi)	**SIC FSL**		
	Payment made by SIC on SIC FSL's behalf	-	-
	Staff provident fund contribution deposited with SIC FSL	**2,128,376**	2,028,211
ʰ.	**Year end balances arising from transactions with related party are as follows;**		
)	**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	**1,685,665**	1,814,480
	Employers SSF	**100,170**	114,070
	Employers PF	**69,790**	77,810
l.	**Transactions with directors**		
	Directors emoluments are disclosed in note 10		

42 Social responsibilities

An amount of GH¢677,960 was spent on fulfilling the social responsibility of the company (2022: GH¢ 293,214).

43 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 June were 249.34% (2022: 366.93%) and 70 % (2022: 70%) respectively which were within the minimum requirements per the regulations.

44 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

44a. Directors' shareholding as at 30 June 2023

Name of Director	Number of shares held	% Shares held
Mr. Daniel Ofori	11,570,515	5.9100
Dr Kingsley Agyemang	7,022,016	3.5900
	18,592,531	**9.5000**

b Analysis of shareholding as at 30 June 2023

Range of shareholding	No. of Shareholders	Shares holdings	% Holding
1 - 1000	8,617	4,297,315	2.20
1001 - 5000	2,195	5,493,885	2.81
5000 - 10000	421	3,425,973	1.75
10001 and others	431	182,427,827	93.24
	11,664	**195,645,000**	**100.00**

43 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 June were 249.34% (2022: 366.93%) and 70 % (2022: 70%) respectively which were within the minimum requirements per the regulations.

44 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

44a. Directors' shareholding as at 30 June 2023

Name of Director	Number of shares held	% Shares held
Mr. Daniel Ofori	11,570,515	5.9100
Dr Kingsley Agyemang	7,022,016	3.5900
	18,592,531	**9.5000**

b Analysis of shareholding as at 30 June 2023

Range of shareholding	No. of Shareholders	Shares holdings	% Holding
1 - 1000	8,617	4,297,315	2.20
1001 - 5000	2,195	5,493,885	2.81
5000 - 10000	421	3,425,973	1.75
10001 and others	431	182,427,827	93.24
	11,664	**195,645,000**	**100.00**

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

EMOLUMENT OF DIRECTORS FOR THE PERIOD ENDED 2023 (JANUARY - JUNE)

NAME	BI - MONTHLY ALLOWANCE (GH Cedis)	SITTING ALLOWANCE (GH Cedis)	NO. OF MEETINGS		TOTAL AMOUNT (GH Cedis)
			Board	Committee	
Dr. Jimmy Ben Heyman	5,040.00	3,500.00	3	2	**32,620**
Mr. Kwabena Osei-Bonsu	3,380.00	2,800.00	4	9	**49,340**
Mr. Daniel Ofori	3,380.00	2,800.00	3	4	**29,740**
Mrs. Pamela Djamson - Tettey	3,380.00	2,800.00	3	1	**42,340**
Mr. Christian T. Sottie	3,380.00	2,800.00	4	3	**40,940**
Mr. Nicholas Oteng	3,380.00	2,800.00	4	9	**50,040**
Dr Aguriba Abugri	3,380.00	2,800.00	4	7	**40,940**
Hon John Frimpong Osei	3,380.00	2,800.00	4	8	**43,740**
Mrs Christina Sutherland	3,380.00	2,800.00	4	7	**40,940**
Dr Kingsley Agyemang	3,380.00	2,800.00	3	1	**28,340**
TOTAL					**398,980**

NOTE

The Bi-monthly Allowance was paid three (3) times during the period under review [ie. ½ Year].

The Board Chairman was present at the meeting with SIGA and IAA; and Orientation for the Board Audit Members (ie. 2nd Qtr.)

Messrs. Sottie, Agyemang and Mrs. Djamson-Tettey chaired Committee meetings 3x, 2x, 1x and 6x respectively for which the Sitting Allowance paid was GH¢3,500.00.

SIC INSURANCE PLC

Notes to the Unaudited financial statements
For the period ended 30 June, 2023

c. List of the twenty largest shareholders as at 30 JUNE 2023

	Name of shareholder	Shares held	% Holding
1	GOVERNMENT OF GHANA C/O MINISTRY OF FINANCE	78,258,000	39.89%
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	23,127,392	11.79%
3	OFORI DANIEL	11,570,515	5.90%
4	SCGN/PICTET AFRICA NON TAX 6275J	9,666,764	4.93%
5	SCGN/BANQUE PICTET AND CIE SA, GENEVA RE,PATRICK SCHEGG	9,666,764	4.93%
6	PSL/AGYEMANG KINGSLEY	7,022,016	3.58%
7	DEGBOTSE EMMANUEL KOBLA	5,085,565	2.59%
8	CM FUND LIMITED	2,865,483	1.46%
9	PRESTIGE CAPITAL LIMITED	2,720,505	1.39%
10	SIC-FSL/SIC LIFE SECURITIES TRADING A/C,	2,662,200	1.36%
11	EDC/TEACHERS EQUITY FUND	2,066,700	1.05%
12	GHANA COMMERCIAL BANK LTD	2,000,000	1.02%
13	SIC EMPLOYEE SHARE OWNERSHIP PLAN	1,835,416	0.94%
14	GHANA REINSURANCE COMPANY LIMITED GENERAL BUSINESS	1,661,912	0.85%
15	SCGN/CITIBANK KUWAIT INV AUTHORITY	1,303,900	0.66%
16	ANIM-ADDO, KOJO	1,059,353	0.54%
17	METLIFE CLASSIC A/C, STD NOMS TVL PTY/	985,000	0.50%
18	STATE INSURANCE COMPANY PROVIDENT FUND ACCOUNT	921,669	0.47%
19	GIANNOPOULOS ASSET MANAGEMENT LIMITED	894,397	0.46%
20	MAINSTREAM REINSURANCE COMPANY LIMITED	517,332	0.26%
		165,890,883	84.57%
	OTHERS	30,271,627	15.43%
		196,162,510	100.00%