CORPORATE MISSION

To be the reinsurer of choice in Ghana and chosen markets in Africa through innovative and capacity building applications combined with commitment to customer satisfaction and Corporate profitability

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CORPORATE INFORMATION

Directors

Lionel Molbila	(Chairman)
Gustav W. K. Siale	(Managing Director)
Mathias Rogers-Akpatah	(Deputy MD) - (Retired: 16/08/13)
Abiba Zakariah	(Deputy MD) - (Appointed: 1/02/14)
Wilson Tei	Member
Mohammed Yakubu	Member
Charlotte Osei	Member
Stella Williams	Member (Resigned: 31/01/14)
Marian Mensah	Member (Appointed: 14/04/14)

Company Secretary

Jessica Allotey
Plot No. 24, Sudan Road
Ambassador Area, Ridge,
P. O. Box 7509,
Accra North,
Ghana

Registered Office

Plot No. 24, Sudan Road
Ambassador Hotel Area, Ridge,
P. O. Box 7509,
Accra North,
Ghana

Company's Registered Number

CS00662013

Auditors

KPMG
Chartered Accountants
13 Yiyiwa Drive
Abelenkpe
P. O. Box 242
Accra, Ghana

Main Bankers:

Agricultural Development Bank Ghana Limited
Barclays Bank Ghana Limited
Ecobank Ghana Limited
Fidelity Bank Ghana Limited
Ghana Commercial Bank Limited
Ghana International Bank Plc London
Standard Chartered Bank Ghana Limited
Universal Merchant Bank Ghana Limited

PROFILE OF DIRECTORS

Lionel Molbila
Chairman

Mr. Lionel K. Molbila, who is a recipient of the highly prestigious national award of 'Officer of the Order of the Volta', has vast experience in insurance and corporate governance. Mr. Molbila rose through the ranks to the position of Managing Director of SIC Insurance Company in 1993. He has over 40 years working experience in the insurance industry in Ghana. He has held several respectable positions including: Chairman of the National Bureau of ECOWAS Brown Card Insurance Scheme (1993-1998), member of the Governing Council of West African insurance Institute, Banjul (1993-1998) and President of West African Insurance Companies Association (1997-1998). Also, Mr. Molbila was appointed as Managing Director of Phoenix Insurance Company Limited in July 2005. A position he held until June 2007.

Mr. Molbila has served on several Boards including the following: Quality Insurance Company Limited, Ghana Supply Commission, CDH Financial Holdings Limited, National Council on Tertiary Education, Consolidated Discount House, Ghana Tourist Development Company, The Trust Hospital, Social Security and National Insurance Trust, Ghana Consolidated Diamonds Limited and Prefabricated Concrete Products Limited.

Gustav W. K. Siale
Managing Director

Mr. Gustav Siale holds a Master's degree in Population Studies and a Bachelor's degree in Economics from the University of Ghana, Legon as well as a Diploma (Distinction) in Insurance from the West African Insurance Institute. He is a Fellow of the Chartered Insurance Institute of United Kingdom. Gustav is also a member of the Ghana Bar Association. He joined Ghana Reinsurance Company in January 1994 to start the Research and Statistics Department. He served in several capacities: Head of Research, General Manager (Technical), Deputy Managing Director and Secretary to the Board of Directors. He is currently the Managing Director of Ghana Reinsurance Company. Before joining Ghana Reinsurance Company, Mr. Siale had worked with the State Insurance Company now SIC Insurance Company. He has attended several seminars and conferences on insurance in Africa, Europe and Asia.

Gustav is an Executive Council member of The Insurance Institute of Ghana and the 2nd Vice President of Ghana Insurers Association. He is currently the Chairman of the Academic Board and a Council Member of the Ghana Insurance College.

Gustav loves teaching. Currently he is a visiting Lecturer in Principles and Practice of Reinsurance at West Africa Insurance Institute (WAII), a Part Time Lecturer in Liability Insurance at the University of Ghana Business School, and serves as a Resource Person in Business Interruption, Liability and Engineering Insurances at the Ghana Insurance College. He is currently serving on the Boards of Metropolitan Insurance Company, Trust Logistics Limited and Donewell Life Insurance Company Limited.

Mr. Siale has over thirty years experience in insurance and reinsurance.

PROFILE OF DIRECTORS (Continued)

Abiba Zakariah
Deputy Managing Director

Ms. Zakariah is a product of the University of Ghana, Legon and holds a Master's Degree in Marketing. As a Chartered Insurer and Chartered Marketer, she has over nineteen years' experience in the insurance/reinsurance industry. She is currently pursuing a Doctorate in Management programme with Swiss Management Centre, Geneva, Switzerland.

Ms Abiba Zakariah joined Ghana Reinsurance Company in 2003 as a Marketing Manager having previously worked for SIC Insurance Company for eight years. Through hard work she rose steadily to the position of Ag. Head, Technical Operations. In February 2014, she was appointed Deputy Managing Director in recognition of her exemplary performance.

Ms Abiba Zakariah has attended several courses, both local and international and served on several committees in the industry. In 2012/2013 she acted as the Project Manager for the Ghana Agricultural Insurance Pool and served on the Executive Council of the Chartered Institute of Marketing Ghana in 2011.

Ms Zakariah currently lectures at the Ghana Insurance College and is a Resource Person for Ghana Reinsurance Company Limited training programmes and seminars. She is also a member of the Agricultural Insurance Pool Steering and Technical Committees as well as the "No Premium No Cover" Committee set up by the National Insurance Commission to support the implementation of the regime.

Wilson Tei
Member

Mr. Wilson Tei, has enormous experience in the insurance industry and was the former Managing Director of Provident Life Assurance Company Limited. He has done extensive studies in the areas of insurance, finance and leadership. Certificates obtained include: Action Centered Leadership Course (Swiss Re) 1974, Life Underwriting and Reassurance Administration (Swiss Re) 1980, Post Graduate Dilploma in Executive Administration (Witwatersrand, Johannesburg) 2000 and Post graduate Certificate in Insurance Management – M.I.T.C (Malta) 2005.

Wilson worked with Zambia State Insurance Corporation in 1978. He played a key role in the preparation of Life Administration documentation, Management Control Manual and set up procedures for the Liberian National Insurance Corporation in 1984. He was a part-time lecturer at the SIC Training School between 1977 and 1979. He does periodic lectureship with University of Ghana Business School Executive MBA. He was the president of Ghana Insurers Association between 1998 and 2005 and a non-executive director of National Insurance Commission and Ghana Education Trust Fund. He was also a member of the 16-man team that worked on the Financial Sector Strategical Plan (FINSSIP I) for Ghana.

Charlotte Osei (Mrs)
Member

Mrs. Charlotte Osei has significant experience and specialization in corporate/business law, banking, insurance, labour, infrastructure project financing and public private partnerships. Her work experience has covered the general assignments of a Company Secretary and General Counsel for financial institutions, advising on compliance and regulatory issues, to corporate financing and restructuring, negotiating transactions, labour and human resource management matters. She consults on a variety of areas and also provides support services for several Ghanaian companies, foreign investors and international development agencies in Ghana in several areas.

She holds a LL.B (Hons) degree from the University of Ghana, Legon; a Qualifying Certificate in Law from the Ghana School of Law; a Master of Laws from Queen's University, Kingston, Canada and a Masters in Business Leadership, from the University of South Africa.

Charlotte was a part-time lecturer in Contracts, Company Law and Business Law at the Faculty of Law of University of Ghana. In 2005, she set up Prime Attorneys, a business and investment Law firm, in Accra. She is a member of the Ghana Bar Association and the International Bar Association.

She holds several academic awards and distinctions and has served as a director on the Board of several Ghanaian and international institutions including Ghana Commercial Bank Limited and The African Capacity Building Foundation.

PROFILE OF DIRECTORS (Continued)

Mohammed Yakubu
Member

Marian Mensah
Member

Mr. Mohammed Yakubu had his university education at the University of Ghana Business School, Legon. He has had extensive education in Securities Analysis and Portfolio Management both locally and abroad.

Mohammed is the Chief Executive Officer of CAL Asset Management Company Ltd. He manages the day-to-day operations of the company and coordinates the marketing activities. Mohammed joined CAL from Strategic African Securities Ltd., where he acquired extensive knowledge of the Ghanaian capital markets and established the Trading and Research department. He also managed a portfolio of investments totaling $2.3million in various financial instruments. Mohammed has also served as Operations Manager and CEO of Cal Brokers Ltd and Chief Dealer at the National Trust Holding Company Ltd. (NTHC).

He worked as a consultant in the establishment of Global Securities Ltd in Accra and served as the Vice President of the Ghana Association of Licensed Stockbrokers from 1997 to 2000 and a substitute member of the Ghana Stock Exchange Council during the same period. Mr. Yakubu was a key resource person from Ghana in respect of the listing of Uganda Clays Limited on the Ugandan Stock Exchange.

Ms. Marian Mensah is a trained Financial Economist and a Principal Economics Officer in charge of the Capital Market Unit of the Financial Sector Division of the Ministry of Finance (MoF). She has over a decade experience with extensive knowledge in public sector related issues bordering on a wide range of areas to include financial sector policy advice and formulation, planning and budgeting, project management,investment analysis and monitoring and evaluation.

She obtained an MA in Economics and Finance from University of Leeds, UK, in 2003 after having graduated with a degree in Economics and Psychology from the University of Ghana, Legon, in 2000. Her career began as an Assistant Economics Officer with the Policy Analysis Division at the MoF in 2000 and has served in numerous divisions in different capacities. She has also worked with the Policy Planning Monitoring and Evaluation Division (PPME) of the Ministry of Manpower Youth and Employment where she provided technical support on the United Nations Development Programme (UNDP) supported project to develop a National Human Resource Development Policy and a National Employment Policy.

She serves as a representative of the MOF on the Central Banks Open Market Operation/Forex and Auction Committees which has the responsibility for overall liquidity management in the economy. Again, she played a critical role on the MoF's-Ghana Stock Exchange (GSE) collaborated SME Project Committee which developed and implemented the Ghana Alternative Market (GAX). She also served diligently on the Primary Dealership System Review Committee which reviewed the Primary Dealership role in the participation of Government of Ghana primary securities market operations. In addition, she played a dynamic role in the formulation of policy initiatives and strategies to strengthen the capital and financial market through a World Bank/SECO/DFID/GIZ funded Economic Management Capacity Building Project (EMCB), a critical and important component of the Financial Sector Strategic Plan (FINSSPI).

FINANCIAL HIGHLIGHTS (FIVE YEAR SUMMARY)

General Business

	2013 Gh¢	2012 Gh¢	2011 Gh¢	2010 Gh¢	2009 Gh¢
Gross Premium Income	**68,514,726**	63,241,427	45,914,855	45,544,307	50,162,288
Net Premium Income	**61,658,941**	58,020,877	43,703,113	38,797,112	46,103,423
UnderWriting Profit /Loss	**(18,339,967)**	821,216	(4,704,042)	3,055,139	(1,348,687)
Investment Income	**35,673,552**	14,394,794	7,943,886	10,018,397	10,854,085
Management Expenses	**30,569,751**	17,886,573	14,445,292	12,639,506	15,879,826
Shareholders Fund	**172,462,616**	115,198,625	103,457,714	86,211,801	74,369,345
Management Expenses To gross premium ratio	**45%**	28.28%	31.46%	27.75%	31.66%
Earnings Per share	**0.63**	0.28	0.11	0.22	0.16

Life Business

	2013 Gh¢	2012 Gh¢	2011 Gh¢	2010 Gh¢	2009 Gh¢
Gross Premium Income	**6,274,413**	4,580,384	3,081,886	2,521,068	1,528,296
Net Premium Income	**4,402,348**	4,384,382	2,754,077	2,329,821	1,465,416
UnderWriting Profit /(Loss)	**(3,384,433)**	5,237,912	4,600,816	804,490	471,116
Investment Income	**2,097,769**	935,960	502,578	589,019	634,719
Management Expenses	**1,099,244**	708,236	629,565	218,808	323,399
Life Fund	**7,107,876***	2,859,537*	1,651,417*	5,550,827	3,700,292
Management Expenses To gross premium ratio	**18%**	15%	20%	9%	21%

* restated

CHAIRMAN'S STATEMENT

Lionel Molbila
(Chairman)

Our distinguished shareholder, partners and colleagues, on behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Financial Statements of Ghana Reinsurance Company Limited (Ghana Re) for 2013 year.

GENERAL ECONOMIC CONDITIONS

The outlook for the global economy is positive and expected to move marginally from 3% in 2013 to 3.6% in 2014-15. The impulse on global growth is from advanced economies, although their recoveries remain uneven. Growth in the Euro zone turned positive in 2013 after almost two years of negative growth. Emerging markets and developing economies continue to contribute more than two-thirds of global growth, and growth is projected to increase from 4.7% in 2013 to 4.9% in 2014 and further to 5.3% in 2015.

In Ghana, efforts towards returning the economy to macroeconomic stability have been thwarted by weaker domestic and external sector conditions. Short-term vulnerabilities have risen significantly amid high fiscal and current account deficits. High interest rates and a depreciating currency have begun to weaken private sector activity and inflation has risen significantly above target.

Real GDP growth slowed down from 7.9% attained in 2012 to 7.1% in 2013. Cumulative depreciation of the Ghana cedi recorded 14.6% against the US dollar, 16.7% against the Pound Sterling and 20.1% against the Euro in 2013.

THE FINANCIAL SECTOR

The financial sector remained sound, adequately capitalized and liquid during 2013. However, a fragile macroeconomic environment, rising interest rate, and currency depreciation exposed the financial sector to credit and currency risks. Commercial banks remained the largest holders of the total assets of the financial sector with 75%, followed distantly by pension funds with an estimated share of 12%, and the insurance sector with an estimate of 4% of total assets.

The growth has been underpinned by an increase in the number of players in the banking, insurance, capital markets, and microfinance sectors. Although by 2013 there were 26 licensed universal banks, the market is dominated by about six lenders. In 2013 the market share ranked by assets of the six major banks stood at 51.2%, a reduction from 62% in 2007, in part reflecting the licensing of new banks.

The capital market remains profitable but small. The equity capital market is quite illiquid partly as a result of few listings on the GSE (34 listings). Listed companies have overall, recorded improved performances in terms of share price appreciation in the past 3 years. On a whole, trading activity on the GSE for 2013 was very impressive. The GSE Composite Index closed at 2,145.20 points representing a 78.81% gain for the year (55% more than 2012 performance of 23.81%). Again the GSE Financial Stock Index (GSE-FSI) also recorded a return of 71.81% ending the year with 1,784.05 points. Total market capitalisation of listed securities also improved to GH¢61,158.29 million compared to GH¢57,264.22 million as at December 2012. Domestic Market capitalization recorded a 76.68% increase ending December 2013 with GH¢11,694.93 million compared to GH¢6,753.14 million in 2012.

In the insurance sector, 6 out of 24 non-life insurance

CHAIRMAN'S STATEMENT (Continued)

companies wrote about 67% of the premiums and 6 out of 19 life insurance companies wrote 85% of the total life premiums. Generally, premiums have been growing at an average of 32% between 2009 and 2012.

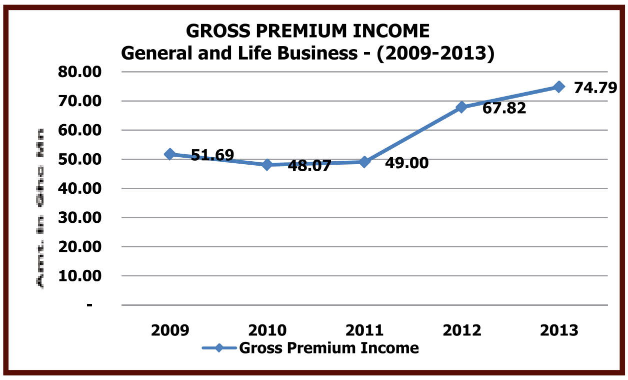
INSURANCE INDUSTRY REVIEW

During the year under review, the insurance industry welcomed a new Commissioner and a new governing board at the National Insurance Commission. The Commission introduced new solvency requirements as part of on-going reforms aimed at strengthening the industry. While these developments may be challenging to some companies in the short term, they are expected to ensure improved regulatory controls and ultimately, growth of the insurance industry.

Two new non-life insurance companies, Priority and Imperial General Insurance, were licensed during the year while Provident Life and Express Life were insurance companies taken over by Old Mutual Plc of South Africa and Prudential Plc of United Kingdom respectively.

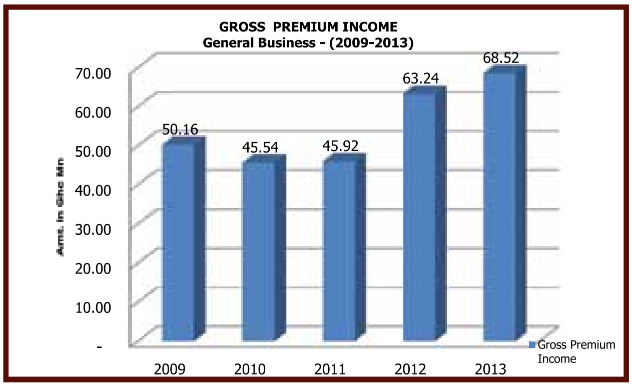
BUSINESS PERFORMANCE

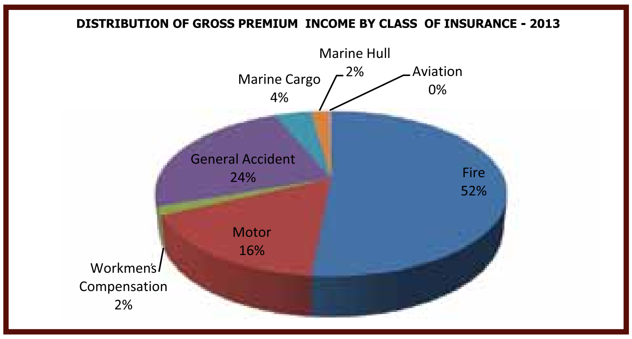
Ghana Re's composite gross premium grew by 10.27% from GH¢67,821,811 in 2012 to GH¢74,789,139 in 2013.



General Business

For general business, gross premiums recorded an increase of 8.3% to GH¢68.5 million in 2013 from GH¢63.2 million in 2012. Significantly, 67% of premium income was generated locally and 33% was from markets outside Ghana. We remain focused on our vision to ensure a 60/40 mix by 2015.





Commission expense ratio showed an improvement, reducing to 27.59 % in 2013 from 31.04% in 2012. Claims on the other hand increased by 210.44% with 64% of claims from fire related risks. The movement in outstanding claims which increased by GH¢10.2 million in 2013 as compared to a reduction of GH¢6.33 million in 2012 impacted on the variance recorded.

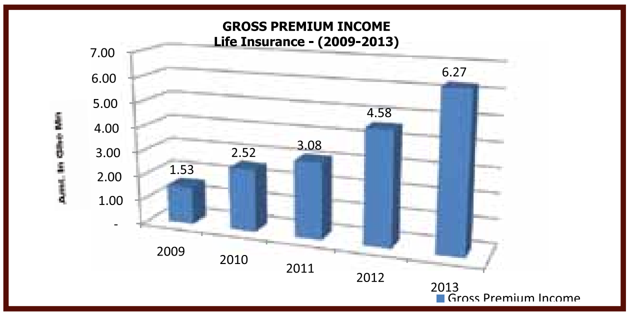
Again in the year under review, provision for bad and doubtful debts and debts written-off amounted to GH¢19.25 million and accounted for a significant 63% of management expenses. This provision was made in accordance with International Financial Reporting Standards (IFRS) and National Insurance Commission (NIC) requirements. It is important to note that steps are being taken to recover these outstanding debts.

Our investment income of GH¢35.67 million and exchange gain of GH¢19.80 million resulted in a profit before tax of GH¢37.79 million.

Life Business

Life premium income grew by 36.90% to GH¢6.27 million in 2013 from GH¢4.58 million in 2012.

CHAIRMAN'S STATEMENT (Continued)



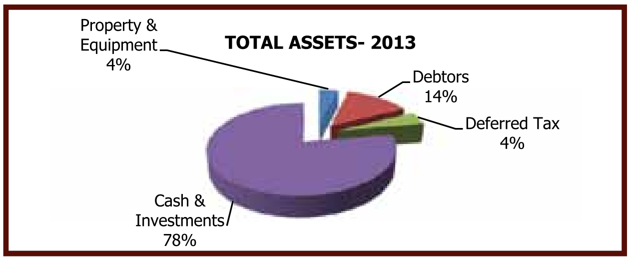
Group life policies formed 70% of the life premium and accounted for the growth. A retrocession programme signed with Munich Re during the year will help reduce any adverse claims for the year and this accounted for the increase in the retrocession premium to GH¢1.22 million in 2013 from GH¢0.20 million.

Investment income grew to GH¢2.09 million in 2013 from GH¢0.94 million mainly as a result of improved yield and enhanced net cash inflows. An amount of GH¢4.25 million was added to the life fund provision in the year.

SHAREHOLDER'S FUND

Our Company's balance sheet expanded by 29.09% as a result of net profit transferred and revaluation surpluses.The increase is represented by GH¢37.82 million in cash and money market investments as well as increases in equities and investment properties of GH¢19.51 million. The total assets to total liabilities ratio is 2.89.

We are also proud to share the fact that a significant 77.81% of the company's total assets are made up of investments.



CORPORATE SOCIAL RESPONSIBILITY

Ghana Re fully recognizes the need to align its core values with societal needs for the overall good of its stakeholders. In this regard, the company continues to provide assistance to communities and national institutions particularly in the areas of quality healthcare and education. Consequently, in 2013 the company supported several national hospitals, medical departments, state institutions and institutions of higher learning with a total amount of GH¢0.80 million.

OUTLOOK FOR 2014

We are encouraged by the shareholder's support in our effort to recapitalize the Company and give it the needed leverage to strengthen our business activities in Ghana and the African continent. We are committed to sustainable growth and are certain that with increased capacity from recapitalization, we will boost business operations in our offices in Kenya and Cameroon and expand into other selected markets.

The 'No premium No cover' policy as introduced by the National Insurance Commission, effective 1st April 2014 in addition to other reforms expected to positively impact on the operations of Ghana Re. In addition, we have recently in line with best corporate practices, changed our auditors after five years with our former auditors. Messrs KPMG has taken on the external audit and compliance role with a robust audit framework, and has reviewed prior year accounts. We are therefore committed to the highest standards of corporate governance and to strengthening our levels of financial and regulatory compliance as well as risks management.

On behalf of the Board, management and staff of the company, we take the opportunity to thank our shareholder for the continued support, our partners for their loyalty and continued patronage.

We shall continue to ensure sustainable and consistent growth and strong financial performance, that places Ghana Re at the top in the insurance industry not only in Ghana, but in the rest of Africa.

We look forward with optimism to a successful and prosperous 2014.

LIONEL MOLBILIA
Chairman

REPORT OF DIRECTORS
TO THE MEMBERS OF GHANA REINSURANCE COMPANY LIMITED

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Insurance Act, 2006 (Act 724) and in the manner required by the Companies Act, 1963 (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are as set out in the attached financials, highlights of which are as follows:

	2013 GH¢	Restated 2012 GH¢
Profit for the year ended before taxation was	**36,601,377**	23,507,816
from which is charged taxation of	**(6,662,029)**	(3,540,813)
giving a profit for the year after taxation of	**29,939,348**	19,967,003
Share of Profit from Associated Companies	**530,923**	321,585
out of which is transferred to contingency reserve in accordance with the Insurance Act (724) an amount of	**(14,310,983)**	(8,419,179)
resulting in a balance of	**16,159,288**	11,869,409
Dividend	**(3,000,000)**	(1,000,000)
Transfer to Stated Capital	**(8,000,000)**	-
	5,159,288	10,869,409
which when added to balance brought forward on the retained earnings account of	**32,621,318**	21,751,909
leaves a balance to be carried forward on the retained earnings account of	**37,780,606**	32,621,318

REPORT OF DIRECTORS (Continued)

NATURE OF BUSINESS

The principal activities of the company are to undertake the business of reinsurance and any other businesses incidental thereto.

There was no change in the principal activities of the company during the year.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 13th June, 2014 and signed on their behalf by;

....

DIRECTOR **DIRECTOR**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA REINSURANCE COMPANY LTD. ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

KPMG

Report on the financial statements

We have audited the financial statements of Ghana Reinsurance Company Limited, which comprise the statement of financial position at 31 December 2013, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory information as set out on pages 14 to 58.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the Insurance Act, 2006 (Act 724) and in the manner required by the Companies Act 1963, (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Reinsurance Company Limited at 31 December 2013, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Insurance Act, 2006 (Act 724) and in the manner required by the Companies Act 1963, (Act 179).

INDEPENDENT AUDITOR'S REPORT (Continued)

KPMG

Other Matter

We draw attention to Note 35 to the financial statements which indicate that the comparative information presented as at and for the years ended 31 December 2012 and 2011 has been restated.

The financial statements of Ghana Reinsurance Company Limited for the years ended 31 December 2012 and 2011 excluding the adjustments described in Note 35 to the financial statements were audited by another auditor who expressed an unmodified opinion on these statements on 31 May 2013.

As part of our audit of the financial statements for the year ended 31 December 2013, we audited the adjustments described in Note 35 and were applied to restate the comparative information presented for the year ended 31 December 2012 and the balance sheet as at 1 January 2012. We were not engaged to audit, review, or apply any procedures to these financial statements other than with respect to the adjustments described in Note 35 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 35 are appropriate and have been properly applied.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act 1963, (Act 179).

We have obtained all the information and explanations required which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the statements of financial position and comprehensive income are in agreement with the books of accounts.

KPMG

Signed By: Nathaniel D. Harlley (ICAG/P/1056)
for and on behalf of:
KPMG: (ICAG/F/2014/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

13th June, 2014

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	General Business GH¢	Life Business GH¢	31/12/13 Total 2013 GH¢	31/12/12 Restated Total 2012 GH¢	1/1/2012 Restated Total 2011 GH¢
Assets						
Property and Equipment	10	10,622,899	-	10,622,899	**7,962,613**	6,531,369
Investment Properties	11	14,350,000	-	14,350,000	**12,250,500**	5,937,000
Equity Securities	12	40,701,489	396,602	41,098,091	**36,789,515**	44,327,834
Investment in Subsidiary	34	30,500	-	30,500	**30,500**	30,500
Investment in Associated Companies	15	4,819,966	-	4,819,966	**4,289,043**	3,967,458
Deferred Tax	19	11,934,825	-	11,934,825	**10,938,364**	8,986,620
Corporate Debt Securities	12	11,275,187	-	11,275,187	**4,489,930**	1,900,800
Due from Ceding/Retroceding	16	25,982,584	1,699,469	27,682,053	**24,715,169**	27,351,174
Other Accounts Receivable	17	5,827,114	350,151	6,177,265	**4,123,676**	3,606,068
Deferred Acquisition cost	13	2,122,218	-	2,122,218	**2,114,983**	1,310,297
Government Securities	12	51,068,131	4,806,732	55,874,863	**38,926,560**	37,915,450
Term Deposit	12	48,678,953	-	48,678,953	**16,149,595**	9,408,542
Cash and Cash Equivalents	20	21,727,523	7,591,902	29,319,425	**40,976,640**	29,161,061
Total Assets		249,141,389	14,844,856	263,986,245	**203,757,088**	180,434,173
Equity						
Stated Capital	26	36,000,000	-	36,000,000	**28,000,000**	28,000,000
Capital Surplus	27	43,811,760	-	43,811,760	**33,616,309**	31,535,437
Statutory Reserve	28	59,493,441	220,937	59,714,378	**45,403,395**	36,984,216
Retained Earnings		33,157,415	4,623,191	37,780,606	**32,621,318**	21,751,909
Total Equity		172,462,616	4,844,128	177,306,744	**139,641,022**	118,271,562
Technical Liabilities						
Unearned Premium	29	29,659,738	654,562	30,314,300	**30,142,729**	20,602,646
Outstanding Claims	5(b)	22,993,723	873,971	23,867,694	**13,668,771**	20,335,340
Deferred Commission Income	22	164,948	-	164,948	**52,346**	77,219
Life Fund	25	-	7,107,876	7,107,876	**2,859,537**	1,651,417
		52,818,409	8,636,409	61,454,818	**46,723,383**	42,666,622
Other Liabilities						
Due to Ceding/ Retroceding Companies	24	15,060,065	1,078,223	16,138,288	**11,847,241**	12,088,642
Other Accounts Payable	23	5,256,973	286,096	5,543,069	**1,730,545**	2,585,007
Current Tax	18	2,749,364	-	2,749,364	**3,204,161**	4,211,604
National Fiscal Stability Levy	18	793,962	-	793,962	**610,736**	610,736
Total Liabilities		76,678,773	10,000,728	86,679,501	**64,116,066**	62,162,611
Total Equity and Liabilities		249,141,389	14,844,856	263,986,245	**203,757,088**	180,434,173

………………………………………… ……………………………………………
DIRECTOR DIRECTOR

The accounting policies and notes set out on pages 19 to 58 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 General Business GH¢	2013 Life Business GH¢	2013 Total GH¢	Restated 2012 Total GH¢
Gross Premiums		68,514,726	6,274,413	**74,789,139**	67,821,811
Retrocession Premium		(7,338,776)	(1,217,503)	**(8,556,279)**	(5,416,552)
Net Premium Written		61,175,950	5,056,910	**66,232,860**	62,405,259
Unearned Premiums	21	482,991	(654,562)	**(171,571)**	(9,540,083)
Net Premium Earned		61,658,941	4,402,348	**66,061,289**	52,865,176
Commission Income	6(b)	329,572	349,355	**678,927**	393,585
Net Premium and Commission Earned		61,988,513	4,751,703	**66,740,216**	53,258,761
Underwriting Expense					
Claims Incurred	5(a)	(28,272,800)	(1,568,420)	**(29,841,220)**	(10,445,630)
Commission Expense	6(a)	(20,271,877)	(1,120,133)	**(21,392,010)**	(19,744,331)
Increase in Life Fund	25	-	(4,248,339)	**(4,248,339)**	(1,208,120)
		(48,544,677)	(6,936,892)	**(55,481,569)**	(31,398,081)
Foreign Levies and Brokerages		(1,214,052)	-	**(1,214,052)**	(836,605)
Management Expenses	7	(30,569,751)	(1,099,244)	**(31,668,995)**	(18,594,809)
Total Underwriting Expenses		(80,328,480)	(8,036,136)	**(88,364,616)**	(50,829,495)
Underwriting (Loss)/Profit		(18,339,967)	(3,284,433)	**(21,624,400)**	2,429,266
Investment Income	8	35,673,552	2,097,769	**37,771,321**	15,330,754
Exchange Gain	14	19,796,540	(5,819)	**19,790,721**	5,567,582
		55,470,092	2,091,950	**57,562,042**	20,898,336
Operating Profit		37,130,125	(1,192,483)	**35,937,642**	23,327,602
Other Income	9	663,735	-	**663,735**	180,214
Profit before Taxation		37,793,860	(1,192,483)	**36,601,377**	23,507,816
Taxation	18(b)	(5,717,182)	-	**(5,717,182)**	(3,540,813)
National Fiscal Stabilization Levy	18(a)	(944,847)	-	**(944,847)**	-
Profit after Taxation		31,131,831	(1,192,483)	**29,939,348**	19,967,003
Share of Profit from Assoc. Company	15	530,923	-	**530,923**	321,585
Transfer to Contingency		-	(62,744)	**(62,744)**	(45,806)
		31,662,754	(1,255,227)	**30,407,527**	20,242,782
Other Comprehensive Income					
Gain/ (Loss) on Equity Securities		18,643,866	-	**18,643,866**	(1,277,850)
Revaluation Gain on Investment Prop.		2,099,500	-	**2,099,500**	6,313,500
Total Comprehensive Income		52,406,120	(1,255,227)	**51,150,893**	25,278,432

STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2013

	Stated Capital GH¢	Retained Earnings GH¢	Capital Surplus GH¢	Statutory Reserve GH¢	Total Equity GH¢
Balance at 1 January 2013	28,000,000	32,621,318	33,616,309	45,403,395	**139,641,022**
Total comprehensive income for the year					
Profit for the year	-	31,662,754	-	-	**31,662,754**
Cumulated Gains on Equities Sold	-	-	(10,547,915)	-	**(10,547,915)**
Other Comprehensive income, net of tax	-	-	18,643,866	-	**18,643,866**
Revaluation of Investment Property		-	2,099,500	-	**2,099,500**
Life Revenue Accounts	-	(1,255,227)	-	-	**(1,255,227)**
Total Comprehensive income for the year	-	30,407,527	10,195,451	-	**40,602,978**
Regulatory Transfers					
Transfer to contingency reserve	-	(14,248,239)	-	14,248,239	**-**
Transfer to Stated Capital	8,000,000	(8,000,000)	-	-	**-**
Total Transfers to/ (from) reserves	8,000,000	(22,248,239)	-	14,248,239	**-**
Dividends	-	(3,000,000)	-	-	**(3,000,000)**
Total distribution to owners	-	(3,000,000)	-	-	**(3,000,000)**
Life Revenue Account	-	-	-	62,744	**62,744**
Balance at 31 December 2013	36,000,000	37,780,606	43,811,760	59,714,378	**177,306,744**

STATEMENT OF CHANGES IN EQUITY – CONT'D

AT 31 DECEMBER 2013

	Stated Capital GH¢	Retained Earnings GH¢	Capital Surplus GH¢	Statutory Reserve GH¢	Total GH¢
Balance at 1 January 2012	28,000,000	5,623,358	31,535,437	38,411,306	**103,570,101**
Impact of changes in accounting policy	-	16,128,551	-	(1,427,090)	**14,701,461**
Restated Balance at 1 January 2012	28,000,000	21,751,909	31,535,437	36,984,216	**118,271,562**
Total Comprehensive Income for the year					
Profit for the year	-	18,607,496	-	-	**18,607,496**
Other Comprehensive income, net of tax	-	-	(4,232,628)	-	**(4,232,628)**
Revaluation of investment property	-	-	6,313,500	-	**6,313,500**
Transfer from Life Fund	-	1,635,286	-	-	**1,635,286**
Total Comprehensive income for the year	-	20,242,782	2,080,872	-	**22,323,654**
Regulatory Transfers					
Transfers	-	(8,373,373)	-	8,373,373	**-**
Transfer to contingency reserve	-	-	-	45,806	**45,806**
Total Transfers to/(from) reserves	-	(8,373,373)	-	8,419,179	**45,806**
Dividends	-	(1,000,000)	-	-	**(1,000,000)**
Total distribution to owners	-	(1,000,000)	-	-	**(1,000,000)**
Balance at 31 December 2012	28,000,000	32,621,318	33,616,309	45,403,395	**139,641,022**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 GH¢	Restated 2012 GH¢
Cash flow from operating activities		
Profit before taxation	**36,601,377**	23,507,816
Adjustments for:		
Depreciation	**823,561**	398,011
Gain on Sale of Investments	**(15,843,525)**	(2,359,030)
Profit/Loss on disposal of PPE	**(61,242)**	6
Dividend received	**(1,937,062)**	(2,831,876)
Interest Income	**(17,724,525)**	(9,563,371)
Exchange Gain	**(13,326,518)**	(354,900)
Operation profit/loss before working capital	**(11,467,934)**	8,796,656
Changes in:		
Due from ceding companies	**(2,966,884)**	2,636,005
Deferred commission	**112,072**	(24,873)
Deferred acquisition	**(7,235)**	(804,686)
Other accounts receivable	**(2,222,030)**	(517,607)
Provision for Unearned Premium	**171,572**	9,540,083
Outstanding Claims	**10,198,923**	(6,666,569)
Life Fund	**4,248,339**	1,208,120
Due to ceding companies	**4,291,047**	(241,401)
Sundry creditors and accrual	**4,375,913**	(854,463)
Cash flow from operating activities	**6,733,783**	13,071,265
National Fiscal Stabilisation Levy Paid	**(761,620)**	-
Tax Paid	**(7,168,440)**	(6,500,000)
Net cash from operating activities	**(1,196,277)**	6,571,265
Cash flow from investing activities		
Proceeds from sale of equity investment	**19,995,610**	5,231,437
Acquisition of equity investments	**(363,063)**	-
Acquisition of Time/Government securities	**(37,687,637)**	(7,318,879)
Acquisition of Corporate Debt Securities	**(5,644,830)**	(2,234,230)
Acquisition of Property, Plant and Equipment	**(3,483,851)**	(1,829,271)
Proceeds from Disposal of Plant and Equipment	**61,246**	10
Dividend received	**1,937,062**	2,831,876
Interest income received	**17,724,525**	9,563,371
Net cash flow from Investing Activities	**(7,460,938)**	6,244,314
Cash flow from financing Activities		
Dividends paid	**(3,000,000)**	(1,000,000)
Net cash from Financing Activities	**(3,000,000)**	(1,000,000)
Increase in Cash and Cash Equivalents	**(11,657,215)**	11,815,579
Cash and cash equivalent 1 January	**40,976,640**	29,161,061
Cash and Cash Equivalents at 31 December (Note A)	**29,319,425**	40,976,640

Note A

	2013	2012
Cash and Bank Balances	**13,477,539**	11,087,755
Treasury and Fixed Deposit(Note 20)	**15,841,886**	29,888,885
	29,319,425	40,976,040

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. REPORTING ENTITY

Ghana Reinsurance Company Limited (GHANA RE) is a private company limited by shares under the provisions of the Companies Act 1963, (Act 179) of Ghana and Insurance Act 2006 (Act 724). The company is incorporated and domiciled in Ghana. Its registered office address is No. 24 Sudan Road, Ridge, P. O. Box AN 7509, Accra-North, Accra, Ghana. The Company's principal activity is to undertake the business of reinsurance and other business incidental thereto.

2. BASIS OF PRESENTATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional information required under the Insurance Act 2006, (Act 724), and the Companies Act 1963 (Act 179) has been included where appropriate.

b. Basis of measurement

The financial statements have been prepared under the historical cost convention except for the following material items in the statement of financial position:

- non-derivative financial instruments at fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value.
- Investment properties and property plant and equipment

c. Functional and presentation currency

The financial statements are presented in Ghana cedis, which is the functional currency of the company and comprise the statements of financial position, comprehensive income, changes in equity and cash flows and notes to the financial statements. All financial information presented in cedis has been rounded to the nearest cedi unless otherwise stated.

d. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in note 4. The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise noted.

e. Change in accounting policy

Accounting for Commission Payable and Receivable

In 2013, the company changed its accounting policy for recognition of commission payable and receivable for which previously, total commission expense and income were fully recognised in the year in which they were incurred. The change in policy was as a result of recognising commission payable and receivable based on the tenor of reinsurance premium and in compliance with the requirements of IFRS 4 (Insurance contracts). The company has therefore deferred portions of commission payable and receivable and amortising over the period in which the related premium incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

2. BASIS OF PRESENTATION-(CONT'D)

The effect of the change is to apply the policy retrospectively to the 2012 and 2011 financial statements.

The change resulted in the introduction of deferred acquisition cost and deferred commission income thereby increasing assets by GH¢ 2.1 million in 2013 (2012: GH¢2.1 million, 2011: GH¢1.3 million) and liability by GH¢0.52 million in 2013 (2012: GH¢ 0.165 million, 2011: GH¢ 0.134 million). [See note 6(a) and 6(b)].

The change in accounting policy had an immaterial impact on earnings per share for the current and comparative period.

Revaluation of Investment Property
The company adopts the fair value model in measuring its investment properties. This model per IAS 40- Investment Properties requires annual revaluation of investment properties. The company however last revalued its investment properties in 2011. The change in accounting policy resulted in revaluation of investment properties for the years ended 31 December 2012 and 2013.

Investments in Associated Companies
The company has investments in Metropolitan Insurance Co. Ltd, Unique life Assurance and Donewell Insurance Co. Limited of 22%, 40% and 20% respectively. These investments had not been accounted for using equity method of accounting for all the years that the investments had been held with the associated companies. The effect of this method therefore is to apply the principle retrospectively in the financial statements 2011 to 2013.

The change resulted in the introduction of share of Associated Company profit/(loss) which impacted the value of amounts held for each of these associated companies in the statement of financial performance of GH¢0.53 million for 2013 (2012: GH¢0.32million).

f. Change in accounting estimates

Measurement of Unearned Premium
The company during the year changed its basis of measurement for unearned premium. In the previous treatments unearned premium was calculated at forty five percent (45%) of net premium for all other class of business aside marine and seventy five percent (75%) for marine businesses. This basis of measurement was changed to using the 365th method and also considered policies with risks attaching.

The change resulted in an increment of profit of GH¢ 483,000. It is however impracticable to disclose the amount of effect in future periods.

g. Staff Welfare Fund

The company set up a staff welfare fund to cater for canteen and other welfare related needs of staff. This fund was added to statutory reserves as part of equity. Per the definition of equity and the purpose of the welfare fund, this classification as part of equity will not be in accordance with the relevant accounting guidance. As a result the fund has been accordingly reclassified from statutory reserves and added as part of other accounts payable.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign currency

Transactions and balances
Transactions in foreign currencies are translated to the functional currency of the company at exchange rates prevailing at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES -(CONT'D)

3.1 Foreign currency - (cont'd)

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency differences arising on translation are recognized in profit or loss.

3.2 Property and equipment

(i) Initial Recognition
Property and equipment is initially recorded at cost. Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of certain items of property and equipment was determined by reference to a previous GAAP. The company elected to apply the optional exemption to use this previous revaluation as deemed cost at 1 January 2010, the date of transition.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs
The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

Property and equipment are reflected at their depreciated cost prices. Depreciation is provided for on a straight-line basis, taking into account the residual value and estimated useful lives of the assets at the following annual rates:

Office Building	-	3%
Office Furniture & Fittings	-	20%
Machinery and Equipment	-	15%
Computer Hardware	-	33.3%
Motor vehicles	-	25%

The Assets' useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of property and equipment are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES -(CONT'D)

3.3 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of selfconstructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.4 Intangible Assets

Computer Software
Intangible assets comprise computer software cost. These are measured at cost less accumulated amortization and any accumulated impairment losses.

3.5 Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.6 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3. 7 Financial Instruments

(i) Non-derivative financial assets
The company classifies its investments into the following categories: Financial assets at fair value through profit or loss, available-for-sale, loans and receivables and held to maturity. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of initial recognition.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Held-to-maturity financial assets
If the company has the positive intent and ability to hold securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest rate method, less any impairment losses. Held-to-maturity financial assets comprise money market instruments.

Available-for-sale investments
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Recognition and measurement
Financial instrument purchases are initially measured at fair value, which includes transaction costs, and are recognized using trade date accounting. The trade date is the date that the company commits to purchase or sell the asset. Subsequent to initial measurement, financial assets at fair value through profit or loss and available-for-sale investments are carried at fair value. Other loans and receivables are carried at amortized cost using the effective interest less provision for impairment.

Investments are derecognized when the right to receive cash flows from the investments expire or where they the company transfers substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3. 7 Financial Instruments - (cont'd)

Fair value
The fair value of investments is based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted investments are estimated using applicable cash flow models or price/earning ratios refined to reflect the specific circumstances of each investment. Where the fair value of an investment cannot be measured reliably, the investment is carried at cost less any impairment.

Gains and losses
Realized and unrealized gains and losses arising from changes in the fair value of investments are included in the profit or loss in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of available-for-sale investments are recognized in equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit or loss as net realized gains or losses on financial assets.

Offsetting
Where a legally enforceable right to offset exists for recognized financial assets and financial liabilities and there is an intention to settle the liability and realize the asset simultaneously or to settle on a net basis, all related financial effects are offset.

Derecognition
Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets expire or the company transfers substantially all the risks and rewards of ownership. Any interest in the transferred financial assets that is created or retrieved by the company is recognized as a separate asset or liability. Financial liabilities are derecognized when contractual obligations are discharged, cancelled or expire.

Reclassification of financial assets
Reclassifications are made at fair values as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of the fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(ii) Non-derivative financial liabilities
Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss. The company classifies non-derivative financial liabilities into the other liabilities category.

Other financial liabilities comprise outstanding claims, trade and other payables and reinsurance payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate, less any impairment losses, if any.

3.8 Impairment of Non Derivative Financial Assets

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred 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 has an impact on 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 the attention of the company about the following events:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3.8 Impairment of Non Derivative Financial Assets - (cont'd)

- Significant financial difficulty of the issuer or debtor.
- A breach of contract, such as default or delinquency in payments.
- Adverse changes in the payment status of issuers or debtors.
- Economic conditions that correlate with defaults on assets in the company.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortized 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 and the amount of the loss is recognized in profit or loss.

For the purpose of a collective evaluation of impairment, financial assets are compared on the basis of similar credit risk characteristics. The company assesses at each reporting date whether there is objective evidence that an available-for-sale financial asset is impaired, including, in the case of equity investments, a significant or prolonged decline in the fair value of the security below its cost. If any such evidence exists, the cumulative loss, which is measured as the difference between the acquisition cost and the current fair value of the investment, is removed from equity and recognized in the profit or loss.

Non-financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and the decrease recognized in profit or loss.

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments with original maturities of three months or less in money market instruments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.10 Stated 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 as a deduction from equity or as deduction from the proceeds, net of tax.

3.11 Reinsurance Contracts

(i) Classification of Reinsurance Contracts

The company issues contracts which transfer reinsurance risk or financial risk or, in some cases, both. Reinsurance contracts are those contracts under which the company accepts significant reinsurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policy holder. Reinsurance risk is risk other than financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided, in the case of a non-financial variable, the variable is not specific to a party to the contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3.11 Impairment of Non Derivative Financial Assets - (cont'd)

Investment contracts are those contracts which transfer financial risk with no significant reinsurance risk.

(ii) Recognition and Measurement of Reinsurance Contracts

(a) Premiums

Gross premiums comprise the premiums on contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period and are disclosed gross of commission to intermediaries and exclude value-added tax. Premiums written include adjustments to premiums written in prior periods. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of indemnity received.

(b) Unearned premium provision

Unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year, are calculated on a time proportionate basis.

(c) Claims incurred

Claims incurred consist of claims and claims handling expenses paid during the financial year, together with the movement in the provision for outstanding claims and are charged to profit or loss as incurred.

The provision for outstanding claims comprises the company's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at the reporting date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets.

Adjustments to the amounts of claims provisions established in prior years are reflected in the period in which the adjustments are made and disclosed separately, if material.

(d) Contingency reserve

A reserve is held for the full amount of the contingency reserve as required by the regulatory authorities in Ghana. Transfers to and from this reserve are treated as appropriations of retained income. The company maintains a contingency reserve of not less than three per cent of the total premiums or twenty per cent of net profit whichever is greater as required by the Insurance Act (Act 724).

(f) Reinsurance

The company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential. Reinsurance arrangements do not relieve the company from its direct obligations to its policy holders. Premiums ceded and claims reimbursed are reflected in the statement of comprehensive income and statement of financial position separately from the gross amounts. Only those contracts, which give rise to a significant transfer of reinsurance risk, are accounted for as reinsurance.

Amounts recoverable under such contracts are recognized in the same year as the related claim. Reinsurance contracts that do not transfer significant reinsurance risk are accounted for as financial assets.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the company may not recover all amounts due and that there is a reliably measurable impact on the amounts that the company will receive.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3.11 Reinsurance Contracts – (Cont'd)

(g) Commissions Payable and Receivable

The company receives commission from other insurance and reinsurance companies for giving them businesses (which could be as a result of reinsurances under facultative, treaty and quota).

It also pays out commission to insurance brokers and other reinsurance companies for bringing business to the company. Commissions receivable and payable are reflected in the statements of financial position.

A proportion of commission payable is deferred and amortised over the period in which the related premium is earned and recognized as deferred acquisition asset.

Commissions receivable are recognized as income in the period in which they are earned.

(h) Deferred Acquisition costs

Commissions and other acquisition costs that vary with and are related to securing reinsurance contracts and renewing existing contracts are capitalized. The Deferred Acquisition Expense is subsequently amortised over the terms of the policies as premium is earned;

(i) Salvage and subrogation reimbursements

Some reinsurance contracts permit the company to sell property acquired in settling a claim. The company may also have the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of the liability for claims.

3.12 Revenue

The accounting policy in relation to revenue from reinsurance contracts is disclosed in note 3.7.

Interest income and expense

Interest income and expense for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, are recognized within investment income and finance costs in profit or loss using the effective interest Ghana. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Foreign exchange gains or losses are recognised in the statement of comprehensive income.

Dividend income

Dividend income for available-for-sale equities is recognized when the right to receive payment is established.

3. 13 Employee Benefits

(i) Defined Contributory Plans

A defined contribution plan is a post-employment benefit plan under which the entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3. 13 Employee Benefits – (Cont'd)

The company contributes to the statutory Social Security & National Insurance Trust (SSNIT). This is a defined contribution plan and is registered under the National Pensions Act, 2008 (Act 766). The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month.

The company also operates a voluntary defined contribution scheme for its employees. The assets of this scheme are held by another entity who manages the scheme on behalf of employees. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

(iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Other post-employment obligations

The company has no obligation for post-employment benefits in respect of pensioners, former employees or current employees except medical bill of retired staff and spouse.

3.14 Taxation

Income tax for the period comprises current and deferred taxation. Income tax is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the related income tax is also recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. Deferred taxation is provided at current tax rates, on the comprehensive basis, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary timing differences and deferred tax assets are recognized to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.15 Provisions

Provisions are recognized when the company has a present legal or constructive obligation of uncertain timing or amounts as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted using pre-tax discount rates that reflect the current market assessment of the time value of money and, where appropriate, risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3. SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

3.16 Dividend Distribution

Dividend payable to the company's shareholders is charged to equity in the period in which they are declared.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company makes certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

(i) Claims incurred
The estimation of the ultimate liability arising from claims made under reinsurance contracts is the company's most critical accounting estimate. [see note 5(a)].

These estimates rely on past experience adjusted for the effects of current developments and likely trends which is considered an appropriate basis for predicting future events. The company's estimates and assumptions are reviewed and updated and the tool with which it monitors and manages risk refined as new information becomes available.

4.1 Management of Reinsurance Risk

4.1.1 Exposure to Reinsurance risk

The company underwrites risks that natural persons, corporate or other entities wish to transfer to an insurer. Such risks may relate to property, accident, personal accident, motor, liability, marine, and other perils which may arise from an insured event. As such the company is exposed to uncertainty surrounding the timing, frequency and severity of claims under reinsurance contracts. The principal risk is that the frequency and/or severity of claims are greater than expected.

Reinsurance events are by their nature random and the actual size and number of events in any one year may vary from those estimated and experienced in prior periods. The company underwrites primarily short-term risks, that is, reinsurance under which claims are typically settled within one year of the occurrence of the events giving rise to the claims. Risks that are long-term in nature represent an insignificant portion of the company's reinsurance portfolio.

The company experience variations in its claims patterns from one year to the next. The product features of reinsurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from reinsurance contracts in the company are described below:

(i) Property
Provides indemnity for loss or damage to immovable and movable property caused by perils such as fire, lightning, explosion, weather, water, earthquake and malicious damage. These contracts may also include business interruption policies which insure the loss of profits incurred by a business as a result of loss or damage to the insured property by these perils.

(ii) Accident
Provides indemnity for loss of or damage to mainly movable property for losses caused by crime, certain accidental damage such as damage to goods in transit or other general accidents. Included under the accident classes are legal liabilities an insured may incur as a result of accidental damage to third-party property or accidental death or injury to a third party caused by the insured.

(iii) Personal accident
Provides compensation arising out of the death, permanent or temporary total disability of the insured, the family of the insured or employees of a business. This cover is restricted to certain accidents and does not provide wider benefits available from the life assurance industry.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.1.1 Exposure to Reinsurance risk - (cont'd)

(iv) Motor
Provides indemnity for loss of or damage to the insured motor vehicle. The cover is normally on an all-risks basis providing a wide scope of cover; however the insured may select restricted forms of cover such as fire and theft only. Legal liabilities arising out of the use or ownership of the motor vehicle following an accident for damage to third party property or death or injury to a third party is also covered in this class. Warranty and maintenance cover on insured vehicles are incorporated in this class of business.

(v) Engineering
Provides indemnity for losses sustained through the use of machinery and equipment or the erection of buildings and structures. Risks covered by this type of contract include machinery breakdown, business interruption and loss or damage to plant and equipment.

(vi) Marine
Provides indemnity for both cargo and hull classes of business. Cargo covers physical loss of or damage to cargo. Hull covers accidental loss or damage to commercial vessels.

4.1.2 Limiting exposure to Reinsurance Risk

The company limits its exposure to reinsurance risk through setting clearly defined underwriting strategies and limits, application of appropriate risk assessment techniques, and centralized management of reinsurance.

The company's underwriting strategy ensures diversification of reinsurance risk in terms of type and amount of risk covered, geographical location and type of industry covered. The strategy also aims to develop a sufficiently large population of risks to reduce variability of the expected outcome. The underwriting strategy is detailed in underwriting authorities which set the limits for underwriters in terms of line size, class of business, geographical location and industry to enforce appropriate risk selection within the portfolio.

The underwriting mandates are applicable to both internal and external underwriters and partners.

Ongoing review and analysis of underwriting information enables the company to monitor its risks and take timely corrective action. The ability to adjust premiums allows the company to mitigate the risk of underwriting losses by addressing adverse loss ratios in terms of different classes of business and different portfolios or clients. The risk of fraudulent claims is reduced by internal controls embedded in claims-handling processes and specific techniques developed to proactively detect fraudulent claims.

(i) Underwriting and reinsurance operating procedures
The company has implemented an integrated risk management framework to manage risk in accordance with the company's risk appetite. The company's reinsurance is managed by the company's Underwriting Department.

The main objective of the underwriting department is to provide a policy framework that ensures that risk assumption and risk retention practice is in line with prudent risk/reward set by the company. Specifically, the department determines the risk-retention policy of the company, which leads to the type of reinsurance undertaken for the year. Special Quota, facultative and treaty reinsurance are undertaken for the purposes of cost-efficiency, compliance with risk assumption criteria and security. The objectives and responsibilities of the department is approved by the board of directors.

(ii) Reinsurance strategy
The company obtains third-party reinsurance cover to reduce risks from single events or accumulation of risk which could have a significant impact on earnings for the current year or the company's capital. This cover is placed on the local and international reinsurance market. The company's reinsurance risk and return position is tested against a wide range of reinsurance alternatives including viability of proportional and non-proportional alternatives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.1.2 Limiting exposure to Reinsurance Risk- Cont'd

(iii) Risk-retention

The company is in the business of assuming levels of risk, which are deemed prudent in relation to risks/rewards and the company's absolute capacity in terms of shareholders' funds and reserves. Predetermined criteria are observed at all times other than where specific written permission has been obtained from the board of directors.

(iv) Treaty and Facultative placing process

The treaty-placing process is the responsibility of the underwriting and reinsurance department.

Underwriting limits are in place to enforce appropriate risk selection criteria. Reinsurance contracts also entitle the company to pursue third parties for payment of some or all costs (for example, subrogation).

The following table discloses the concentration of reinsurance liabilities by the industry sector in which the contract holder operates and by the maximum insured loss limit included in the terms of the policy. The amounts are the carrying amount of the reinsurance liabilities (gross and net of reinsurance) arising from reinsurance contracts.

		Maximum insured loss in Thousands of Ghana Cedi	
Product Type		**2013**	**2012**
Motor/Accident	Gross	**3,242,250**	2,819,625
	Net	**162,113**	140,981
Fire	Gross	**21,615,000**	18,797,500
	Net	**864,600**	751,900
Marine	Gross	**21,615,000**	18,797,500
	Net	**432,300**	375,950

4.2 Financial Risk Management

(i) Overview

The company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risks
- Operational risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The company's management team is responsible for developing and monitoring the company's risk management policies. The team meets monthly to discuss corporate plans, evaluate progress reports and action plans to be taken. Risk issues that may have financial reporting implications are brought to the attention of the chief operating and chief finance officers for the necessary action to be taken. The management team reports regularly to the board of directors on their activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.2 Financial Risk Management - (Cont'd)

There is an in-house internal audit function, which monitors compliance with internal procedures and processes and also assesses the effectiveness of internal controls.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial asset fails to meet its contractual obligations. Key areas where the company is exposed to credit risk are:

- reinsurers' share of reinsurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from reinsurance contract holders;
- amounts due from reinsurance intermediaries; and
- financial assets and cash and cash equivalents.

The company structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparties. Such risks are subject to ongoing review and monitoring by the board.

Reinsurance is used to manage reinsurance risk. This does not, however, discharge the company's liability as the primary insurer. If a reinsurer fails to pay a claim for any reason, the company remains liable for the payment to the policyholder. The company monitors the financial condition of re-insurers on an ongoing basis and reviews its reinsurance arrangements periodically.

Financial assets, cash and cash equivalents are placed with reputable financial institutions. The company has policies which limit exposure to any one financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Maximum exposure to credit risk

	2013 GH¢	2012 GH¢
Due from Ceding/ Retroceding Companies	**27,682,053**	24,715,169
Other Accounts Receivable	**6,177,265**	4,123,676
Corporate Debt Securities	**11,275,187**	4,489,930
Government Securities	**55,229,294**	38,396,615
Statutory Deposit	**645,569**	529,945
Cash and Cash Equivalent	**29,297,619**	40,955,544
Equity Securities	**41,098,091**	36,789,515
Term Deposit	**48,678,953**	16,149,595
	220,084,031	166,149,989

No collateral is held for any of the above assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.2 Financial Risk Management

Below are receivables arising out of reinsurance arrangements:

The premiums receivable are summarized as follows:

	Premium Receivable 2013 GH¢	2012 GH¢
Neither past due nor impaired	**27,682,053**	24,715,169
Impaired	**58,976,658**	43,711,869
Gross	**86,658,711**	68,427,038
Less allowance for impairment	**(15,264,789)**	(833,621)
Less uncollectible premium	**(43,711,869)**	(42,878,248)
Net	**27,682,053**	24,715,169

Financial assets individually impaired

	Premium Receivable 2013 GH¢	2012 GH¢
181-365 days	**15,264,789**	833,621
Over 365 days	**43,711,869**	42,878,248
	58,976,658	43,711,869

(ii) Liquidity risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities:

31 December 2013	Amount GH¢	1-6mths GH¢	6-12mths GH¢	over 12mths GH¢
Non-derivative financial liability				
Due to Ceding/ Retroceding Companies	16,139,288	12,095,241	4,043,047	-
OtherAccounts Payable	5,543,069	3,720,027	1,823,042	-
Claims Liability	23,867,694	313,549	5,782,173	17,771,972
Balance at 31 December 2013	45,550,051	16,128,817	11,648,262	17,771,972

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS -(CONT'D)

4.2 Financial Risk Management

31 December 2012	Amount GH¢	1-6mths GH¢	6-12mths GH¢	over 12mths GH¢
Non-derivative financial liability				
Due to Ceding/ Retroceding Companies	11,847,241	4,325,663	482,634	7,038,944
Other Accounts Payable	1,730,545	303,454	1,427,091	-
Claims Liability	13,668,771	-	6,476,665	7,192,106
Balance at 31 December 2012	27,246,557	4,629,117	8,386,390	14,231,050

(iii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limit, while optimising the return.

(a) Foreign currency risk

The company is exposed to currency risk on its financial assets such as premium receivable, reinsurance receivables and bank balances denominated in foreign currencies.

In respect of these financial assets and liabilities denominated in foreign currencies, the company's policy is to ensure that its net exposure is kept to an acceptable level and any short-term imbalances are addressed appropriately.

The company's exposure to currency risk is as follows:

2013 Assets	US$ '000	€ '000	£ '000	GH¢ '000	Total '000
Equity investment	4,954	-	-	36,144	41,098
Term Deposit/Gov't Securities	27,173	5,103	-	72,277	104,553
Cash and Cash Equivalent	6,224	1,274	1,701	20,120	29,319
Due from Ceding/ Retro Companies	6,653	3,035	1,080	16,914	27,682
Liabilities					
Claims Liability	(3,961)	-	-	(19,907)	(23,868)
Due to Ceding/ Retro Companies	(5,366)	(3,251)	(2,585)	(4,937)	(16,138)
Net exposure	35,677	6,161	196	120,611	162,646

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.2 Financial Risk Management – (Cont'd)

2012 Assets	US$ '000	€ '000	£ '000	GH¢ '000	Total '000
Equity Investment	4,308	-	-	32,481	36,789
Term Deposit/Gov't Securities	11,885	4,286	8,051	30,854	55,076
Cash and bank balances	5,752	3,516	9,794	21,914	40,976
Due from Ceding/ Retro Companies	5,860	2,894	832	15,129	24,715
Liabilities					
Claims Liability	(5,005)	(4)	(26)	(8,634)	(13,669)
Due to Ceding/Retro Companies	(5,710)	(2,067)	(1,729)	(2,341)	(11,847)
Net exposure	17,090	8,625	16,922	89,403	132,040

4.2 Financial Risk Management

The following significant exchange rates applied during the year:

	Average rate 2013	2012	Reporting date rate 2013	2012
USD ($ 1)	2.059	1.884	2.162	1.879
Euro (€1)	2.771	2.404	2.986	2.096
Pound (£1)	3.152	2.961	3.573	3.046

(b) Sensitivity Analysis on Currency Risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's statement of comprehensive income. This sensitivity analysis indicates the potential impact on the statement of comprehensive income based upon the foreign currency exposures recorded at 31 December. (See "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased equity and profit or loss by the amounts shown below:

This analysis assumes that all other variables, in particular interest rates, remain constant.

	2013 Statement of Comprehensive income			2012 Statement of Comprehensive income		
	% Change	Impact Strengthening	Impact Weakening	% change	Impact Strengthening	Impact Weakening
Euro	±15%	924	(924)	±15%	1,294	(1,294)
US$	±9%	3,211	(3,211)	±9%	1,538	(1,538)
GBP	±6%	12	(12)	±6%	1,015	(1,015)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.2 Financial Risk Management – (Cont'd)

(c) Interest rate risk

The company is exposed to changes in interest rate on money market instruments. Changes in the money market interest rates would not have a direct effect on the contractually determined cash flows associated with fixed rate instruments.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying amounts	
	2013	2012
	GH¢	GH¢
Fixed rate instruments:		
Government Securities	55,229,294	38,396,615
Statutory Deposits	645,569	529,945
Fixed deposits	48,678,953	16,149,595
	104,553,816	55,076,155

Fair value sensitivity analysis for fixed rate instruments
The company accounts for fixed rate financial assets at fair value through profit and therefore a change in interest rates at the end of the reporting period would not have an affect profit or loss.

(d) Equity risk

Investments in equity securities are reflected at fair value and are therefore susceptible to market fluctuations. Investment decisions are done by the board, which has ultimate responsibility for the investment portfolio's risk profile and related decisions.

(e) Operational risk

Operational risk is the risk that there is a loss as a result of inadequate or failed processes, people or systems and external events. Operational risk includes:

- **Information and technology risk:** the risk of obsolescence of infrastructure, deficiency in integration, failures/ inadequacies in systems/networks and the loss of accuracy, confidentiality, availability and integrity of data.
- **Going concern/business continuity risk:** the risk that inadequate processes, people, financial controls and resources exist to continue business in the foreseeable future.
- **Legal risk:** the risk that the company will be exposed to contractual obligations which have not been provided for.
- **Compliance risk:** the risk of not complying with laws and regulations, as well as investment management mandates.
- **Fraud risk:** the risk of financial crime and unlawful conduct occurring within the company.

The company mitigates these risks through its culture and values, a comprehensive system of internal controls, compliance functions and other measures such as back-up facilities, contingency planning and reinsurance. The initiation of transactions and their administration is conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.3 Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts at the reporting date are as follows:

(i) Loans and receivables	31 December 2013 Carrying Amount GH¢	31 December 2013 Fair Value GH¢	31 December 2012 Carrying Amount GH¢	31 December 2012 Fair Value GH¢
Due from Ceding/ Retro Companies	**27,682,053**	**27,682,053**	24,715,169	24,715,169
Other Accounts receivables	**6,345,706**	**6,345,706**	4,123,675	4,123,675
Statutory deposit	**645,569**	**645,569**	529,945	529,945
	34,673,328	**34,673,328**	29,368,789	29,368,789

(ii) Available-for- sale

	31 December 2013 GH¢	GH¢	31 December 2012 GH¢	GH¢
Equity Securities	**41,098,091**	**41,098,091**	36,789,515	36,789,515
	41,098,091	**41,098,091**	36,789,515	36,789,515

(iii) Held-to-Maturity

Fixed deposit	**48,678,953**	**48,678,953**	16,149,595	16,149,595
Government Securities	**55,229,294**	**55,229,294**	38,396,615	38,396,615
Corporate Debt	**11,275,187**	**11,275,187**	4,489,930	4,489,930
	115,183,434	**115,183,434**	59,036,140	59,036,140

(iii) Other financial liabilities	31 December 2013 Carrying Amount GH¢	31 December 2013 Fair Value GH¢	31 December 2012 Carrying Amount GH¢	31 December 2012 Fair Value GH¢
Due to Ceding/ Retro Companies	**15,060,065**	**15,060,065**	16,139,288	16,139,288
Claims Liability	**22,993,723**	**22,993,723**	23,867,694	23,867,694
Other Accounts Payable	**5,543,069**	**5,543,069**	1,730,545	1,730,545
	43,596,857	**43,596,857**	27,246,557	27,246,557

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.3 Fair Values – (Cont'd)

Fair value hierarchy- Financial instruments measured at fair value
IFRS 7 requires certain fair value disclosures for each class of financial instruments. It requires an entity to classify fair value measurement into fair value hierarchy with the following levels by reference to the observability and significance of inputs used in making the measurement.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange)

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The company considers relevant observable market prices in its valuation where possible. Financial instruments measured at fair value at 31 December, 2013 were classified as follows:

	Valuation based on Observable inputs			
				Total
	Level 1	Level 2	Level 3	2013
	GH¢	GH¢	GH¢	GH¢
Equity Securities	41,098,091	-	-	**41,098,091**
Corporate Debt	-	-	11,275,187	**11,275,187**
Fixed Deposit	-	48,678,953	-	**48,678,953**
Statutory Deposit	-	645,569	-	**645,569**
Government Securities	-	55,229,294	-	**55,229,294**
	41,098,091	104,553,816	11,275,187	**156,927,094**

	Level 1	Level 2	Level 3	2012
	GH¢	GH¢	GH¢	GH¢
Equity Securities	36,789,515	-	-	**36,789,515**
Corporate Debt	-	-	4,489,930	**4,489,930**
Fixed Deposit	-	16,149,595	-	**16,149,595**
Statutory Deposit	-	529,945	-	**529,945**
Government Securities	-	38,396,615	-	**38,396,615**
	36,789,515	55,076,155	4,489,930	**96,355,600**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.4 Capital Management

(i) Capital Definition

The company's capital, ordinarily referred to as shareholders fund comprises ordinary share capital raised through direct investment, retained earnings including current year profit and various reserves the company is statutorily required to maintain. As a reinsurance company, the company has regulatory capital as defined below.

The company's regulator, the National Reinsurance Commission sets and monitors capital requirements for the company. The company's objectives when managing capital are;

- to comply with the capital and regulatory solvency requirements as set out in the Insurance Act 2006 (Act 724); the Act requires each insurance company to hold the minimum level of paid up capital of GH¢ 1 million and to maintain a solvency margin of 150%
- to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- to provide adequate returns to shareholders by pricing reinsurance and investment contracts commensurately with the level of risk.

4.5 New standards and interpretations not yet adopted

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective for the year ended 31 December 2013, and have not been applied in preparing these financial statements. These include the following Standards and Interpretations that may have an impact on future financial statements:

Standard/Interpretation		Effective date
IAS 32	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 January 2014
IAS 36	Recoverable amount disclosures for Non-financial Assets	Annual periods beginning on or after 1 January 2014
IFRS 10, IFRS 12 and IAS 27	Amendments to Joint Arrangements, Disclosure of Interests in Other Entities and Separate Financial Statements (2011)	Annual periods beginning on or after 1 January 2014
IFRS 9 (2009)	Financial Instruments	Annual periods beginning on or after 1 January 2015
IFRS 9 (2010)	Financial Instruments	Annual periods beginning on or after 1 January 2015
IFRIC 21	Levies	Annual periods beginning on or after 1 January 2015

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted.

This amendment will not have any significant impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.5 New standards and interpretations not yet adopted - (cont'd)

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2014 with early adoption permitted. The Group will early adopt the amendments at the same time as it applies IFRS 13.

Amendments to* (IFRS 10)*, Joint Arrangements* (IFRS 12) *Disclosure of Interests in Other Entities and* (IAS 27) *Separate Financial Statements (2011)

Under this amendment, a qualifying investment entity is required to account for investments in controlled entities-as well as investments in associates and joint ventures- at fair value through profit or loss (FVTPL); the only exception would be subsidiaries that are considered extensions of the investment entity's investing activities. The consolidation exception is mandatory – not optional.

The parent of an investment entity (that is not itself an investment entity) is still required to consolidate all subsidiaries. The amendment also requires new disclosures including quantitative data about the investment entity's exposure to risks arising from its unconsolidated subsidiaries. The disclosures now apply to the investee as a single investment rather than to the consolidated investee's underlying financial assets and financial liabilities.

The amendments apply to annual periods beginning on or after 1 January 2014. However, early adoption is permitted, which means that a qualifying investment entity might be able to adopt the amendments as early as 31 December 2013.

This amendment will not have a significant impact on the Company's financial statements.

IFRS 9 (2009) Financial Instruments

IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of the classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

This statement will not have a significant impact on the Company's financial statements.

IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace relevant sections of IAS 39. Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS-(CONT'D)

4.5 New standards and interpretations not yet adopted - (cont'd)

Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates guidance in IAS 39, dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9.

Reassessment of Embedded Derivatives.
This statement will not have a significant impact on the Company's financial statements.

IFRIC 21 defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It confirms that an entity recognises a liability for a levy when – and only when – the triggering event specified in the legislation occurs.

IFRIC 21 is not expected to have a material effect on the Company's financial statements.

5(a). CLAIMS INCURRED

		2013		2012
	General Business	Life	Total	Total
	GH¢	GH¢	GH¢	GH¢
Gross Claims Incurred	**32,030,674**	**1,202,396**	33,233,070	13,715,718
Retrocession receivable	**(9,524,825)**	**(67,380)**	(9,592,205)	(5,474,789)
Incurred but not reported provision	**5,766,951**	**433,404**	6,200,355	2,204,701
Net Claims Incurred	**28,272,800**	**1,568,420**	29,841,220	10,445,630

5(b). OUTSTANDING CLAIMS

		2013		2012
	General Business	Life	Total	Total
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	**13,228,204**	**440,567**	13,668,771	20,335,340
Gross Claims Incurred net of recoveries	**28,272,800**	**1,568,420**	29,841,220	10,445,630
Claims Paid net of recoveries	**(18,507,281)**	**(1,135,016)**	(19,642,297)	(17,112,199)
Balance at 31 December	**22,993,723**	**873,971**	23,867,694	13,668,771

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

5(b). OUTSTANDING CLAIMS - (CONT'D)

Reinsurance risks are unpredictable and it is impossible to forecast with absolute certainty future claims payable under existing reinsurance contracts. As such reasonable provisions are made to adequately cater for all reinsurance obligations when they arise.

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. In addition, the company utilizes the services of specialized administrators to perform the claims assessment process for some of its business. The ultimate cost of reported claims may vary as a result of future developments or better information becoming available about the current circumstances. Estimates are reviewed regularly and updated if new information becomes available.

6(a). COMMISSION EXPENSE

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Commission Expense	**18,156,894**	**1,120,133**	**19,277,027**	18,434,034	13,622,483
Commission Expense released	**2,114,983**	**-**	**2,114,983**	1,310,297	-
Total	**20,271,877**	**1,120,133**	**21,392,010**	19,744,331	13,622,483

6(b). COMMISSION INCOME

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Commission Income	**277,226**	**349,355**	**626,581**	316,366	134,484
Commission Income released	**52,346**	**-**	**52,346**	77,219	-
	329,572	**349,355**	**678,927**	393,585	134,484

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

7. MANAGEMENT EXPENSES

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢
Directors Emoluments	**302,824**	**-**	**302,824**	251,305
Staff Costs	**5,028,376**	**331,053**	**5,359,429**	4,108,718
Audit Fees	**150,000**	**-**	**150,000**	40,000
Depreciation	**823,561**	**-**	**823,561**	398,010
Provision for bad debts/write off	**19,245,290**	**762,316**	**20,007,606**	8,234,750
Administrative and other expenses	**5,019,700**	**5,875**	**5,025,575**	5,562,026
	30,569,751	**1,099,244**	**31,668,995**	18,594,809

8. INVESTMENT INCOME

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢
Interest on Term deposits and T-bills	**17,132,955**	**2,097,769**	**19,230,724**	9,563,371
Rent Income	**591,570**	**-**	**591,570**	576,477
Dividend Income	**2,105,502**	**-**	**2,105,502**	2,831,876
Gain on disposal of Equity shares	**15,843,525**	**-**	**15,843,525**	2,359,030
	35,673,552	**2,097,769**	**37,771,321**	15,330,754

9. OTHER INCOME

	2013 GH¢	2012 GH¢
Interest on deposit released	**68,565**	51,026
Interest on current account	**283,986**	-
Profit on disposal of property and equipment	**61,242**	(6)
Sundry income	**249,942**	129,194
	663,735	180,214

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

10(a). PROPERTY AND EQUIPMENT

	Office Building GH¢	Motor Vehicle GH¢	Machinery Equipment Furniture & Fitting GH¢	Computers GH¢	Capital Work-In Progress GH¢	Total GH¢
Cost						
2013						
Balance at 1 January	8,072,538	586,121	404,711	781,328	-	**9,844,698**
Additions	2,048,380	587,074	768,056	80,341	-	**3,483,851**
Disposal	-	(183,568)	-	-	-	**(183,568)**
Balance at 31 December	10,120,918	989,627	1,172,767	861,669	-	**13,144,981**
Depreciation						
Balance at 1 January	397,623	452,809	294,365	737,288	-	**1,882,085**
Charge for the year	379,028	227,517	182,190	34,826	-	**823,561**
Disposal	-	(183,564)	-	-	-	**(183,564)**
Balance at 31 December	776,651	496,762	476,555	772,114	-	**2,522,082**
Net Carrying Value						
At 31 December 2013	9,344,267	492,865	696,212	89,555	-	**10,622,899**
At 31 December 2012	7,674,915	133,312	110,346	44,040	-	**7,962,613**

	Office Building GH¢	Motor Vehicle GH¢	Machinery Equipment Furniture & Fitting GH¢	Computers GH¢	Capital Work-In Progress GH¢	Total GH¢
2012						
Balance at 1 January	936,262	481,018	319,439	778,017	5,518,643	**8,033,379**
Additions/Transfers	7,136,276	105,103	85,272	21,263	(5,518,643)	**1,829,271**
Disposal/Write off	-			(17,952)	-	**(17,952)**
Balance at 31 December	8,072,538	586,121	404,711	781,328	-	**9,844,698**
Depreciation						
Balance at 1 January	141,499	357,531	262,976	740,004	-	**1,502,010**
Charge for the year	256,124	95,278	31,389	15,220	-	**398,011**
Disposal/Write Off				(17,936)	-	**(17,936)**
Balance at 31 December	397,623	452,809	294,365	737,288	-	**1,882,085**
Net Carrying Value						
At 31 December 2012	7,674,915	133,312	110,346	44,040	-	**7,962,613**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

10(b). PROFIT ON DISPOSAL

	2013 GH¢	2012 GH¢
Sales proceeds	**61,246**	10
Less carrying amount:		
Cost/revalued amount	**183,568**	17,952
Accumulated depreciation	**(183,564)**	(17,936)
	4	16
	61,242	(6)

11. INVESTMENT PROPERTIES

Balance at 1 January	**12,250,500**	5,937,000
Revaluation gain	**2,099,500**	6,313,500
Balance at 31 December	**14,350,000**	12,250,500

The investment properties are all situated in the developed areas of Accra, the capital city of Ghana. The latest revaluation for the year ended 31 December 2013 was carried out on the No.68 Kwame Nkrumah Avenue, Dome Managerial Estates and Plot 19 Onyasia Crescent by Surveyor K.K. Serbeh. (MGhIS,PMP). The valuation of the property was based on open market value which indicates an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of valuation based on a number of assumptions.

Investment properties have not been pledged as security for any debt or liabilities.

12. FINANCIAL SECURITIES

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢
Available-for-sale:				
Investments in equities	**40,701,489**	**396,602**	**41,098,091**	36,789,515
	40,701,489	**396,602**	**41,098,091**	36,789,515
Held-to-Maturity:				
Fixed deposit	**48,678,953**	**-**	**48,678,953**	16,149,595
Corporate Debt	**11,275,187**	**-**	**11,275,187**	4,489,930
Government Securities	**50,422,562**	**4,806,732**	**55,229,294**	42,737,242
	110,376,702	**4,806,732**	**115,183,434**	63,376,767
Statutory deposit (Treasury bills)	**645,569***		**645,569***	529,945*
	645,569	**-**	**645,569**	529,945

*Statutory deposit is included as part of government securities on page 7

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

13. DEFERRED ACQUSITION COST

This represents commission expense on unearned premium relating to unexpired tenure of risk:

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Balance at 1 January	**2,114,983**	**-**	**2,114,983**	1,310,297	-
Commission deferred	**2,122,218**	**-**	**2,122,218**	2,114,983	1,310,297
Commission released	**(2,114,983)**	**-**	**(2,114,983)**	(1,310,297)	-
	2,122,218	**-**	**2,122,218**	2,114,983	1,310,297

14. EXCHANGE DIFFERENCE

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢
Realised Gain	**6,470,021**	**-**	**6,470,021**	5,567,582
Unrealised Gain	**20,084,730**	**-**	**20,084,730**	-
Unrealised Loss	**(6,758,211)**	**(5,819)**	**(6,764,030)**	-
	19,796,540	**(5,819)**	**19,790,721**	5,567,582

Exchange difference represents the net effect of gains and losses on exchange which arose from the translation of assets and liabilities denominated in foreign currencies to cedis. The assets are mainly investments and amount due from ceding and retroceding companies with corresponding liabilities as due to ceding and retroceding companies.

15(a). INVESTMENT IN ASSOCIATED COMPANIES

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Balance at 1 January	**4,289,043**	**-**	**4,289,043**	3,967,458	4,274,465
Share of profit/(Loss)	**530,932**	**-**	**530,932**	321,585	(307,007)
Balance at 31 December	**4,819,966**	**-**	**4,819,966**	4,289,043	3,967,358

15(b). INVESTMENT IN ASSOCIATED COMPANIES

	General Business GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Metropolitan Insurance Co. Ltd	**3,232,939**	**-**	**3,232,939**	2,333,599	1,875,311
Unique Life Co. Ltd	**550,632**	**-**	**550,632**	1,231,281	1,179,013
Donewell Insurance Co. Ltd	**1,036,395**	**-**	**1,036,395**	724,163	913,134
	4,819,966	**-**	**4,819,966**	4,289,043	3,967,458

Ghana Reinsurance Company Ltd has investments in Metropolitan Insurance Co. Ltd, Unique Life Assurance Co. Limited and Donewell Insurance Co. Limited of 22%, 40% and 20% respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

16. DUE FROM CEDING AND RETROCEDING COMPANIES

	General		2013	2012
	Business	Life	Total	Total
	GH¢	GH¢	GH¢	GH¢
Amount due from ceding/retroceding				
and other Intermediaries	**82,901,414**	**3,757,297**	**86,658,711**	68,427,038
Impairment Allowance	**(56,918,830)**	**(2,057,828)**	**(58,976,658)**	(43,711,869)
Net Reinsurance Premium Receivable	**25,982,584**	**1,699,469**	**27,682,053**	24,715,169

16(b) Movements on provision for impairment on reinsurance receivables are as follows:

	General	2013	2012	
	Business	Life	Total	Total
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	**42,416,358**	**1,295,511**	43,711,869	42,878,248
Amount charged (utilised) during the year	**14,502,472**	**762,317**	15,264,789	833,621
Balance at 31 December	**56,918,830**	**2,057,828**	58,976,658	43,711,869

Amount written off during the year as uncollectible.

17. OTHER ACCOUNTS RECEIVABLE

	General		2013	2012
	Business	Life	Total	Total
	GH¢	GH¢	GH¢	GH¢
Staff Debtors	**1,902,817**	**-**	**1,902,817**	1,647,415
Current accounts with General Business	**247,144**	**-**	**247,144**	322,526
Other Debtors and Prepayments	**3,677,153**	**350,151**	**4,027,304**	2,153,735
	5,827,114	**350,151**	**6,177,265**	4,123,676

The maximum owed by staff to the company during the year did not exceed Gh¢1,902,817 (2012: Gh¢1,647,415).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

18. TAXATION

(a) Income Tax

	Balance at 1/1/13 GH¢	Payment GH¢	Charged to P/L GH¢	Balance at 31/12/13 GH¢
Income Tax				
Up to 2009	(743,806)	-	-	(743,806)
2010	4,715,950	-	-	4,715,950
2011	239,460	-	-	239,460
2012	(1,007,443)	-	-	(1,007,443)
2013	-	(7,000,000)	6,545,203	(454,797)
Dividend Tax				
2013	-	(168,440)	168,440	-
	3,204,161	(7,168,440)	6,713,643	2,749,364

Income Tax – Restated

	Balance at 1/1/13 GH¢	Payment GH¢	Charged to P/L GH¢	Balance at 31/12/13 GH¢
Income Tax				
Up to 2009	(743,806)	-	-	(743,806)
2010	4,715,950	-	-	4,715,950
2011	239,460	-	-	239,460
2012	-	(6,500,000)	5,492,557	(1,007,443)
	4,211,604	(6,500,000)	5,492,557	3,204,161

National Fiscal Stabilization Levy

2009 to 2012	610,735	-	-	610,735
2013	-	(761,620)	944,847	183,227
	610,735	(761,620)	944,847	793,962

All tax liabilities are subject to the approval of the Internal Revenue Service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

18. TAXATION - (CONT'D)

(b) Income tax expense

	2013 GH¢	Restated 2012 GH¢
Corporate Income Tax	**6,713,643**	5,492,557
Deferred Tax (Released)	**(996,461)**	(1,951,744)
	5,717,182	3,540,813
Profit before taxation	**37,793,860**	21,776,980
Tax at 25% (2012:25%)	**9,448,465**	5,444,245
Tax effect of Non-deductible Expenses	**6,982,921**	1,326,118
Dividend Tax	**168,440**	226,550
Tax on Exempt Income	**(9,523,751)**	(1,297,726)
Deferred Tax	**(996,461)**	(1,951,744)
Capital Allowance	**(362,432)**	(206,630)
	5,717,182	3,450,813
Effective Tax Rate	**16%**	17%

19. DEFERRED TAX

2011	2013 GH¢	Restated 2012 GH¢	Restated 2011 GH¢
Balance at 1 January	**(10,938,364)**	(8,986,620)	141,483
Release/ (charge) to income statement	**(996,461)**	(1,951,744)	419,811
Impact of restatement	**-**	-	(9,547,914)
	(11,934,825)	(10,938,364)	(8,986,620)

Management considers it probable that future taxable profits will be available against which the deferred tax asset can be utilised. Utilisation of the deferred tax asset is dependent on future taxable profits which are estimated to be in excess of the profits arising from the reversal of existing temporary differences.

(a) Recognised deferred tax assets and liabilities.
Deferred tax liabilities are attributable to the following:

	2013			2012		
	Assets GH¢	Liabilities GH¢	Net GH¢	Assets GH¢	Liabilities GH¢	Net GH¢
Property, plant and equipment	**-**	**(404,999)**	**(404,999)**	-	(216,901)	(216,901)
Provision for bad debts	**14,229,708**	**-**	**14,229,708**	10,604,090	-	10,604,090
Provision for IBNR	**1,441,738**	**-**	**1,441,738**	551,175	-	551,175
Unrealized Exchange Gain	**-**	**(5,021,182)**	**(5,021,182)**	-	-	-
Unrealized Exchange Loss	**1,689,552**	**-**	**1,689,560**	-	-	-
Net tax (assets)/liabilities	**17,360,998**	**(5,426,181)**	**11,934,825**	11,155,265	(216,901)	10,938,364

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20. CASH AND CASH EQUIVALENTS

	General Business GH¢	Life Business GH¢	2013 Total GH¢	2012 Total GH¢
Cash	21,806	-	21,806	21,096
Bank Balances	12,170,689	1,285,044	13,455,733	11,066,659
Short Term Bills (3months)	9,535,028	6,306,858	15,841,886	29,888,885
	21,727,523	7,591,902	29,319,425	40,976,640

21. PROVISION FOR UNEARNED PREMIUMS

	General Business GH¢	Life Business GH¢	2013 Total GH¢	2012 Total GH¢
Balance at 1 January	30,142,729	-	30,142,729	20,602,646
Increase/(Decrease) in Provision	(482,991)	654,562	171,571	9,540,083
	29,659,738	654,562	30,314,300	30,142,729

Unearned premium represent the liability for short term business contracts where the company's obligations are not expired at the year end.

22. DEFERRED COMMISSION INCOME

	General Business GH¢	Life Business GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Balance at 1 January	52,346	-	52,346	77,219	-
Commission Income Deferred	164,948	-	164,948	52,346	77,219
Commission Income Released	(52,346)	-	(52,346)	(77,219)	-
Balance at 31 December	164,948	-	164,948	52,346	77,219

23. OTHER ACCOUNTS PAYABLE

	General Business GH¢	Life Business GH¢	2013 Total GH¢	2012 Total GH¢	2011 Total GH¢
Current accounts with Life Business	-	247,144	247,144	30,823	196,413
Accrued Expenses	2,415,629	-	2,415,629	-	-
Sundry Creditors	1,977,644	38,954	2,016,595	272,632	961,504
Staff Welfare Fund	863,700	-	863,700	1,427,090	1,427,090
	5,256,973	286,096	5,543,069	1,730,545	2,585,007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

24. DUE TO CEDING AND RETROCEDING COMPANIES

	General Business GH¢	Life Business GH¢	2013 Total GH¢	2012 Total GH¢
Amount due to ceding companies	**5,781,546**	**92,916**	**5,874,462**	1,333,931
Amount due to retroceding companies	**9,278,519**	**985,307**	**10,263,826**	10,513,310
	15,060,065	**1,078,223**	**16,138,288**	11,847,241

25. LIFE FUND

	2013 GH¢	Restated 2012 GH¢	Restated 2011 GH¢
Balance at 1 January	**2,859,537**	**1,651,417**	5,065,106
Release to Retained Earnings	**-**	**-**	(3,413,689)
Transfer from Income Statement	**4,248,339**	**1,208,120**	-
Balance at 31 December	**7,107,876**	**2,859,537**	1,651,417

Under section 61 of the Insurance Act, 2006 (Act 724), the company is required to carry out actuarial valuation of the life fund at least once every year. The actuarial liabilities of the life assurance policies as at 31 December 2013 was GH¢7,107,876.

26. STATED CAPITAL

	2013 No.of Shares	GH¢	2012 No. of Shares	GH¢
Authorised Ordinary Shares				
Number of Ordinary Shares of no par value	**50,000,000**		50,000,000	
Issued Ordinary Shares				
Cash	**50,000,000**	**5,300**	50,000,000	5,300
Transfer from income surplus				
Rights issue by special resolution dated				
June 2010	**-**	**27,994,700**	-	27,994,700
Capitalisation issue June 2013	**-**	**8,000,000**	,	-
	50,000,000	**36,000,000**	50,000,000	28,000,000

There is no unpaid liability on any share and there are no calls or instalments unpaid. There are no treasury shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

27. CAPITAL SURPLUS

This consists of gains and loss on Investment Properties, Property, Plants and Equipment, Available-For-Sale Investments stated at fair value. Movement during the year is set out below:

	Available For-Sale Reserve GH¢	Revaluation Surplus GH¢	2013 Total GH¢	2012 Total GH¢
Balance as at 1 January	**27,302,809**	**6,313,500**	**33,616,309**	31,535,437
Disposals	**(10,547,915)**	**-**	**(10,547,915)**	(2,954,778)
Other Comprehensive Income	**18,643,866**	**-**	**18,643,866**	(1,277,850)
Revaluation of Property	**-**	**2,099,500**	**2,099,500**	6,313,500
Balance at 31 December	**35,398,760**	**8,413,000**	**43,811,760**	33,616,309

28. STATUTORY RESERVES

	General Reserve GH¢	Gen. Business Contingency Reserve GH¢	Life Business Contingency Reserve GH¢	Staff Welfare Reserve GH¢	Total GH¢
Balance at 1 January 2012	19,107,012	17,764,817	112,387	1,427,090	**38,411,306**
Impact of restatement	-	-	-	(1,427,090)	**(1,427,090)**
	19,107,012	17,764,817	112,387	-	**36,984,216**
Transfers from Retained Earnings	4,605,355	3,768,018	45,806	-	**8,419,179**
Balance at 31 December 2012	23,712,367	21,532,835	158,193	-	**45,403,395**
Changes in 2013					
Transfer from Retaining Earnings	7,836,532	6,411,707	62,744	-	**14,310,983**
Balance at 31 December 2013	31,548,899	27,944,542	220,937	-	**59,714,378**

29. CONTINGENCY RESERVE

The company maintains a contingency reserve of not less than 3% of total premiums or 20% of net profit whichever is greater as required by the Insurance Act 2006 (Act 724). The company however maintains additional 25% of net profit into General Business contingency reserves and 1% of gross premiums for life into Life Business contingency reserves.

30. RETAINED EARNINGS

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

31. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly including any director (whether executive or otherwise) of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

31. RELATED PARTY TRANSACTIONS - (CONT'D)

Key management personnel compensation included the following:

	2013 GH¢	2012 GH¢
Short-term benefit	851,559	723,751

A number of related party transactions were entered into with related parties in the normal course of business. These include general and long term reinsurance policies taken out by the related party. These transactions were carried out on commercial terms and at market rates.

The volumes of related party transactions, outstanding balances at the year end and relating premium for the year are as follows:

(ii) Income from related party transactions

2013

Companies	Premium GH¢	Claims GH¢	Commission GH¢	Total GH¢
Metropolitan	7,897,048	6,886,133	2,426,384	17,209,565
Donewell	2,741,970	1,832,926	1,072,167	5,647,063
Unique Life	15,959	-	2,968	18,927
Totals	10,654,977	8,719,059	3,501,519	22,875,555

2012

Companies	Premium GH¢	Claims GH¢	Commission GH¢	Total GH¢
Metropolitan	8,736,334	4,655,897	3,338,888	16,731,199
Donewell	3,241,823	1,015,289	1,181,305	5,438,417
Unique Life	11,096	17,760	2,662	31,518
Totals	11,989,253	5,688,946	4,522,855	22,201,134

	2013 GH¢	2012 GH¢
(iii) Loan receivable from Metropolitan Insurance Co. Ltd	4,153,420	-

a) Defined Contribution Plans

(i) Social Security

Under a national pension scheme, the company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

31. RELATED PARTY TRANSACTIONS - (CONT'D)

(ii) Provident Fund
The company has a provident fund scheme for staff under which the company contributes 10% of staff basic salary. The company's obligation under the plan is limited to the relevant contributions and these have been recognised in the financial statements.

b) Other Long Term Benefits

Long Service Award
The company operates a long service award scheme, where employees are awarded specific sums based on the salaries upon achieving agreed milestones in terms of length of service with the company.

32. CONTINGENT LIABILITIES

Pending Legal Claims
There were no legal cases pending against the company as at the reporting date. (2012: Nil).

33. CAPITAL COMMITMENTS

There were no outstanding commitments for capital expenditure at the reporting date. (2012: Nil).

34. UNCONSOLIDATED SUBSIDIARY

The company owns 100% shareholding in Cameroun Ghana Reinsurance Plc. Under IFRS 4, a parent is required to present consolidated financial statements. The company however has not presented a consolidated financial statement because the total assets and revenue of the subsidiary as compared with the parent is 0.59% and 1.53% respectively which were considered immaterial and therefore the subsidiary has not been consolidated.

35. RESTATEMENT ADJUSTMENT

The table below summarises the restatement adjustments made to opening balances for the years ended 31 December 2012 and 2011.

Assets	31/12/2011 Signed Account 2011 GH¢	Restatement Adjustments GH¢		1/1/2012 Restated 2011 GH¢
Property and Equipment	6,531,369	-		6,531,369
Investment Properties	5,937,000	-		5,937,000
Equity Securities	48,602,298	(4,274,464)	a	44,327,834
Investment in Subsidiary	-	30,500	b	30,500
Investment in Associated Companies	-	3,967,458	c	3,967,458
Deferred Tax	-	8,986,620	d	8,986,620
Corporate Debt Securities	1,900,800	-		1,900,800
Due from Ceding/Retroceding	27,351,174	-		27,351,174
Other Accounts Receivable	5,248,363	(1,642,295)	e	3,606,068
Deferred Acquisition cost	-	1,310,297	f	1,310,297
Government Securities	37,761,382	154,068	g	37,915,450
Term Deposit	-	9,408,542	h	9,408,542
Cash and Cash Equivalents	37,111,877	(7,950,816)	i	29,161,061
Total Assets	170,444,263	9,989,910		180,434,173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

35. RESTATEMENT ADJUSTMENTS – (CONT'D)

	31/12/2011 Signed Account 2011 GH¢	Restatement adjustments GH¢	Reference	1/1/2012 Restated 2011 GH¢
Equity				
Stated Capital	28,000,000	-		28,000,000
Capital Surplus	31,535,437	-		31,535,437
Statutory Reserve	38,411,306	(1,427,090)	j	36,984,216
Retained Earnings	5,623,358	16,128,551	k	21,751,909
Total Equity	103,570,101	14,701,461		118,271,562
Technical Liabilities				
Unearned Premium	20,602,646	-		20,602,646
Outstanding Claims	20,335,340	-		20,335,340
Deferred Commission Income	-	77,219	l	77,219
Life Fund	5,894,549	(4,243,132)	m	1,651,417
	46,832,535	(4,165,913)		42,666,622
Other Liabilities				
Due to Ceding/ Retroceding Companies	12,088,642	-		12,088,642
Other Accounts Payable	1,157,917	1,427,090	n	2,585,007
Deferred Tax	561,294	(561,294)	o	-
Current Tax	5,623,038	(1,411,434)	p	4,211,604
National Fiscal Stability Levy	610,736	-		610,736
Total Liabilities	66,874,162	(4,711,551)		62,162,611
Total Equity and Liabilities	170,444,263	9,989,910		180,434,173

Explanation of changes in opening balances for the financial year ended 31 December 2011

a. Reclassification of Investment in Associated Companies from Equity Securities.
b. Reclassification of investment in subsidiary which was initially part of other accounts receivable.
c. Cost of Investment in Associated Companies impacted by share of loss for the year.
d. Deferred Tax Asset recognised for the year.
e. Reclassification of interest receivable to the cost of investment.
f. A portion of commission expense deferred for the year.
g. Reclassification of interest receivable on government securities which was initially part of other account receivable.
h. Reclassification of investments with maturity of more than 3 months and interest receivable which were initially part of cash and cash equivalent and other accounts receivable respectively.
i. Reclassification of term deposits with maturity of more than 3 months which were initially part of cash and cash equivalent.
j. Reclassification of Staff welfare to other accounts payable.
k. Net impact of various adjustments.
l. A portion of the commission income deferred for the year.
m. Release of surplus in Life Fund into retained earnings to match Life Fund to actuarial valuation.
n. Reclassification of staff welfare fund which was initially included in statutory reserve.
o. Elimination of deferred tax liability.
p. Reduction in tax liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

35. RESTATEMENT ADJUSTMENTS – (CONT'D)

	2012 Signed GH¢	Restatement adjustments GH¢	Restated Reference	Total 2012 GH¢
Assets				
Property and Equipment	7,962,613	-		7,962,613
Investment Properties	5,937,000	6,313,500	a	12,250,500
Equity Securities	41,063,980	(4,274,465)	b	36,789,515
Investment in Subsidiary	-	30,500	c	30,500
Investment in Associated Companies	-	4,289,043	d	4,289,043
Deferred Tax	-	10,938,364	e	10,938,364
Corporate Debt Securities	4,489,930	-		4,489,930
Due from Ceding/Retroceding	24,715,169	-		24,715,169
Other Accounts Receivable	7,460,630	(3,336,954)	f	4,123,676
Deferred Acquisition cost	-	2,114,983	g	2,114,983
Government Securities	43,267,187	(4,340,627)	h	38,926,560
Term Deposit	-	16,149,595	i	16,149,595
Cash and Cash Equivalents	49,479,153	(8,502,513)	j	40,976,640
Total Assets	184,375,662	19,381,426		203,757,088
Equity				
Stated Capital	28,000,000	-		28,000,000
Capital Surplus	27,302,809	6,313,500	k	33,616,309
Statutory Reserve	44,857,752	545,643	l	45,403,395
Retained Earnings	15,038,064	17,583,254	m	32,621,318
Total Equity	115,198,625	24,442,397		139,641,022
Technical Liabilities				
Unearned Premium	30,142,729	-		30,142,729
Outstanding Claims	13,668,771	-		13,668,771
Deferred Commission Income	-	52,346	n	52,346
Life Fund	6,146,255	(3,286,718)	o	2,859,537
	49,957,755	(3,234,372)		46,723,383
Other Liabilities				
Due to Ceding/ Retroceding Companies	11,847,241	-		11,847,241
Other Accounts Payable	303,454	1,427,091	p	1,730,545
Current Tax	6,076,799	(2,872,638)	q	3,204,161
National Fiscal Stability Levy	610,736	-		610,736
Deferred Tax	381,052	(381,052)	r	-
Total Liabilities	69,177,037	(5,060,971)		64,116,066
Total Equity and Liabilities	184,375,662	19,381,426		203,757,088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

35. RESTATEMENT ADJUSTMENT – (CONT'D)

Explanation of changes in balances for the financial year ended 31 December 2012

a. Revaluation gain on investment properties for the year ended 31 December 2012
b. Reclassification of Investment in Associated Companies from Equity Securities.
c. Reclassification of investment in subsidiary which was initially part of other accounts receivable.
d. Cost of Investment in Associated Companies impacted by share of loss for the year.
e. Deferred Tax Asset recognised for the year.
f. Reclassification of interest receivable to the cost of investment.
g. A portion of commission expense deferred for the year.
h. Reclassification of government securities with maturity less than 3 months into cash and cash equivalent
i. Reclassification of term deposits with maturity of more than 3 months and its related accrued interest.
j. Reclassification of term deposits with maturity of more than 3 months which were initially part of cash and cash equivalent.
k. Revaluation gain on investment properties for the year ended 31 December 2012 recognised
l. Reclassification of Staff welfare to other accounts payable.
m. Net impact of various adjustments.
n. A portion of the commission income deferred for the year.
o. Release of surplus in Life Fund into retained earnings to match Life Fund to actuarial valuation.
p. Reclassification of staff welfare fund which was initially included in statutory reserve.
q. Reduction in current tax charge for the year.
r. Reduction in tax liability.

36. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

Segmental information is presented in respect of the company's business segments.
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. Unallocated items comprise mainly income-earning assets and revenue and expenses, and corporate assets and expenses which are managed centrally.

The company's main business segments are:

- MarineCargo
- Marine Hull
- WCA
- Other Accident
- Fire
- Motor
- Aviation

The company has two geographical segments.

SCHEDULE TO GENERAL BUSINESS REINSURANCE REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Fire GH¢	Motor GH¢	WCA GH¢	Other Accidents GH¢	Marine Cargo GH¢	Marine Hull GH¢	Aviation GH¢	Life GH¢	2013 Total GH¢	2012 Total GH¢
Underwriting Income										
Gross Premium	35,295,370	11,228,755	1,151,938	16,533,578	2,775,612	1,402,276	127,197	6,274,413	**74,789,139**	67,821,811
Retrocession Premium	(6,255,712)	(160,054)	-	(230,847)	(622,477)	-	(69,686)	(1,217,503)	**(8,556,279)**	(5,416,552)
Net Premiums Retained	29,039,658	11,068,701	1,151,938	16,302,731	2,153,135	1,402,276	57,511	5,056,910	**66,232,860**	62,405,259
Change in Reserve for Unexpired Risks	(891,615)	1,011,321	(270,896)	(2,081,331)	2,189,673	135,899	389,940	(654,562)	**(171,571)**	(9,540,083)
Net Premium Earned	28,148,043	12,080,022	881,042	14,221,400	4,342,808	1,538,175	447,451	4,402,348	**66,061,289**	52,865,176
Commission on Retroceded Business	316,258	-	-	-	-	-	13,314	349,355	**678,927**	393,585
Net Premium and Commission Earned	28,464,301	12,080,022	881,042	14,221,400	4,342,808	1,538,175	460,765	4,751,703	**66,740,216**	53,258,761
Outgo										
Claims paid less Recoveries										
Claims Paid	18,300,157	6,042,370	120,815	2,519,214	901,558	120,123	27,868	1,202,396	**29,234,501**	22,259,943
Less Recoveries	(8,451,192)	(1,073,633)	-	-	-	-	-	(67,380)	**(9,592,205)**	(5,474,789)
	9,848,965	4,968,737	120,815	2,519,214	901,558	120,123	27,868	1,135,016	**19,642,296**	16,785,154
Provision for Outstanding Claims										
Movement in the year	3,001,201	(148,199)	-	1,218,116	(72,549)	-	-		**3,998,569**	(8,544,225)
IBNR	4,079,248	757,821	21,371	792,432	63,955		52,124	433,404	**6,200,355**	2,204,701
Change in Provision	7,080,449	609,622	21,371	2,010,548	(8,594)	-	52,124	433,404	**10,198,924**	6,339,524
Claims incurred less Recoveries	16,929,414	5,578,359	142,186	4,529,762	892,964	120,123	79,992	1,568,420	**29,841,220**	10,445,630
Commission on Accepted Business	10,887,102	3,021,627	26,573	5,172,945	882,003	222,438	59,189	1,120,133	**21,392,010**	19,744,331
Foreign Taxes and brokerages	608,427	227,599	4,143	287,124	62,152	22,574	2,033		**1,214,052**	836,605
Management Expenses	14,511,178	5,531,053	575,626	8,146,509	1,075,926	700,720	28,739	1,099,244	**31,668,995**	18,594,809
Increase in Life Fund	-	-	-	-	-	-	-	4,248,339	**4,248,339**	1,208,120
Total Underwriting Expenses	42,936,121	14,358,638	748,528	18,136,340	2,913,045	1,065,855	169,953	8,036,136	**88,364,616**	50,829,495
Underwriting Profit/(Loss)	(14,471,820)	(2,278,616)	132,514	(3,914,940)	1,429,763	472,320	290,812	(3,284,433)	**(21,624,400)**	2,429,266
Investment Income									**37,771,321**	15,330,754
Exchange Gain									**19,790,721**	5,567,582
Operating Profit									**35,937,642**	23,327,602
Other Income									**663,735**	180,214
Profit before Tax									**36,601,377**	23,507,816
Taxation									**(5,717,182)**	(3,540,813)
National Fiscal Stabilization Levy									**(944,847)**	-
Profit after Tax									**29,939,348**	19,967,003
Total Asset									**263,986,245**	203,757,088
Total Liabilities									**86,679,501**	64,116,006