

We have audited the financial statements of SIC Insurance Company Limited, which comprise the statements and financial position at 31 December 2014, statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) and the Insurance Act, 2006 (Act 724). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 auditors' judgement, 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 management, 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 consolidated and separate financial position of SIC Insurance Company Limited at 31 December 2014, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Insurance Act, 2006 (Act 724).

Report on other legal and regulatory requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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 account;

In accordance with section 78(1) (a) of the Insurance Act, 2006, (Act 724), the group has kept accounting records that are sufficient to explain its transactions and financial position with respect to its insurance business and any other business that it carries on.



**Signed By: Frederick Bruce - Tagoe (ICAG/P/1087)
For And On Behalf Of PKF (ICAG/F/2015/039)
Chartered Accountants
Farrar Avenue
Accra
18th May, 2015**

Statement of Consolidated Comprehensive Income

For the year ended 31 December, 2014

	Note	Group 2014 GH¢	2013 GH¢	Company 2014 GH¢	2013 GH¢
Gross premium	6	115,702,732	98,181,730	115,702,732	98,181,730
Less: Reinsurances	7	(42,120,816)	(32,527,447)	(42,120,816)	(32,527,447)
Net premium		73,581,916	65,654,283	73,581,916	65,654,283
Claims incurred	8	(32,344,609)	(20,787,537)	(32,344,609)	(20,787,537)
Brokerage and advisory fees	9	5,623,824	3,059,896	-	-
Commissions	10	(2,442,194)	1,283,356	(2,442,194)	1,283,356
Management expenses	11	(48,227,722)	(43,743,422)	(42,589,326)	(40,519,795)
Underwriting (loss)/profit		(3,808,785)	5,466,576	(3,794,213)	5,630,307
Investment income	12	9,358,549	5,069,874	9,057,036	4,944,808
Other income	13	13,399,597	4,339,770	13,320,025	3,758,295
Finance costs	14	(1,159,925)	(1,500,723)	(1,159,925)	(1,500,723)
Bad debts write off		(6,629,218)	(7,976,682)	(6,629,218)	(7,976,682)
Exceptional claims	8b	(19,723,648)	-	(19,723,648)	-
Restructuring Expenses		(295,321)	(4,292,882)	(295,321)	(4,292,882)
Profit before tax		(8,858,751)	1,105,933	(9,225,264)	563,123
National stabilisation levy		-	(14,875)	-	(14,875)
Taxation	20(c)	828,099	(82,453)	921,861	46,404
Profit after tax transferred to Income surplus account		(8,030,652)	1,008,605	(8,303,403)	594,652
Amount Attributable to:					
Equity holders of the parent		(8,112,477)	884,419	-	-
Non-Controlling Interest		81,825	124,186	-	-
		(8,030,652)	1,008,605	-	-
Other Comprehensive Income					
Net change in fair value of available for sale financial assets		1,129,472	5,273,873	1,074,378	5,174,470
Revaluation gain	22	8,471,554	-	8,471,554	-
		9,601,026	5,273,873	9,545,932	5,174,470
Basic earnings per share - GH¢	14	(0.041)	0.005	(0.042)	0.003

Statement of consolidated financial position

As at 31 December 2014

	Note	Group 2014 GH¢	2013 GH¢	Company 2014 GH¢	2013 GH¢
Stated capital	21	25,000,000	25,000,000	25,000,000	25,000,000
Capital surplus	22	17,788,506	9,316,952	17,788,506	9,316,952
Income surplus		(1,908,946)	9,674,613	(7,766,782)	4,007,703
Contingency reserve	23	24,278,997	20,807,915	24,278,997	20,807,915
Available-for-sale reserves	24	13,967,431	12,837,959	15,313,904	14,239,526
Non controlling interest		2,996,008	2,914,183	-	-
Shareholders funds		82,121,996	80,551,622	74,614,625	73,372,096
Represented by:					
Property, plant and equipment	25	28,772,449	20,315,349	28,760,279	20,328,951
Intangible assets	26	363,695	577,210	304,757	577,170
Investment properties	27	6,572,000	6,085,128	6,572,000	6,085,128
Long term investment	28	35,814,711	35,136,428	35,468,975	34,730,652
Investment in subsidiary	29	-	-	1,585,715	1,585,715
Investment in associated companies	30	7,241,776	5,073,215	7,241,776	5,073,215
		78,764,631	67,187,330	79,933,502	68,380,831
Current assets					
Short term investments	31	37,661,424	14,450,815	36,577,457	14,145,216
Lease deposit	32	-	281,062	-	281,062
Trade & other receivables	33	17,951,670	44,613,283	6,744,902	34,221,166
Inventories		1,104,266	627,806	1,104,266	627,806
Unearned reinsurance premium		28,741,644	25,154,930	28,741,644	25,154,930
Cash and bank balances	36a	22,416,618	9,335,432	22,291,200	8,999,605
Total current assets		107,875,622	94,463,328	95,459,469	83,429,785
Current liabilities					
Bank Overdraft	36b	3,396,350	6,017,270	3,396,350	6,017,270
Unearned premium	5	43,278,461	45,911,302	43,278,461	45,911,302
Outstanding claims	8	10,050,282	9,824,969	10,050,282	9,824,969
Trade & other payables	34	42,650,570	12,436,141	41,342,224	12,236,332
Taxation	20a	3,374,092	3,849,571	916,700	1,613,703
National stabilisation levy	20b	145,029	244,207	151,136	-
Other current financial liabilities	35	-	269,891	-	269,891
Total current liabilities		102,894,784	78,553,351	99,135,153	75,873,467
Net current assets		4,980,838	15,909,977	(3,675,684)	7,556,318
Other non-current financial liabilities	35	-	-	-	-
Medium term loan		-	-	-	-
Bonds		-	-	-	-
Deferred tax	20(d)	(1,623,473)	(2,545,685)	(1,643,193)	(2,565,054)
Total non-current liabilities		(1,623,473)	(2,545,685)	(1,643,193)	(2,565,054)
Net assets		82,121,996	80,551,622	74,614,625	73,372,096


Hon. Mike Allen Hammah
 Board Chairman


Mr. Robert Afflah Sackey
 Director

Consolidated statement of changes in shareholders' funds

For the year ended 31 December 2014

Group	Stated capital GH¢	Income surplus account GH¢	Contingency reserves GH¢	Capital surplus GH¢	Available-for sale reserves GH¢	Non-Controlling Interest GH¢	Total GH¢
Bal. at 1 Jan. 2013	25,000,000	11,735,646	17,862,463	9,316,952	7,564,086	2,789,997	74,269,144
Profit/(loss)	-	1,008,605	-	-	-	-	1,008,605
Transfer (from)/to reserve	-	(2,945,452)	2,945,452	-	-	-	-
Net gain on avai-for-sale invest.	-	-	-	-	5,273,873	-	5,273,873
Transfer to equity holders	-	-	-	-	-	-	-
Non controlling Interest	-	(124,186)	-	-	-	124,186	-
Bal. at 31 Dec 2013	25,000,000	9,674,613	20,807,915	9,316,952	12,837,959	2,914,183	80,551,622
Bal at 1 Jan 2014	25,000,000	9,674,613	20,807,915	9,316,952	12,837,959	2,914,183	80,551,622
Profit/(loss)	-	(8,030,652)	-	-	-	-	(8,030,652)
Transfer (from)/to reserve	-	(3,471,082)	3,471,082	-	-	-	-
Revaluation gain / loss - PPE	-	-	-	8,471,554	-	-	8,471,554
Net gain on avai-for-sale invest.	-	-	-	-	1,129,472	-	1,129,472
Transfer to equity holders	-	-	-	-	-	-	-
Non controlling interest	-	(81,825)	-	-	-	81,825	-
Bal at 31 Dec 2014	25,000,000	(1,908,946)	24,278,997	17,788,506	13,967,431	2,996,008	82,121,996

Company

	Stated capital GH¢	Income surplus account GH¢	Contingency reserves GH¢	Capital surplus GH¢	Available-for sale reserves GH¢	Total GH¢
Balance at 1 Jan. 2013	25,000,000	6,358,503	17,862,463	9,316,952	9,065,056	67,602,974
Profit/(loss)	-	594,652	-	-	-	594,652
Net gain on available-for-sale invest.	-	-	-	-	5,174,470	5,174,470
Transfer (from)/to reserve	-	(2,945,452)	2,945,452	-	-	-
Transfer to equity holders	-	-	-	-	-	-
Balance at 31 Dec 2013	25,000,000	4,007,703	20,807,915	9,316,952	14,239,526	73,372,096
Balance at 1 January 2014	25,000,000	4,007,703	20,807,915	9,316,952	14,239,526	73,372,096
Profit/(loss)	-	(8,303,403)	-	-	-	(8,303,403)
Transfer (from)/to reserve	-	(3,471,082)	3,471,082	-	1,074,378	1,074,378
Revaluation gain /(loss)	-	-	-	8,471,554	-	8,471,554
Net gain on available-for-sale invest.	-	-	-	-	-	-
Transfer to equity holders	-	-	-	-	-	-
Balance at 31 Dec 2014	25,000,000	(7,766,782)	24,278,997	17,788,506	15,313,904	74,614,625

Statement of consolidated cash flow

For the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	GH¢	GH¢	GH¢	GH¢
Operating activities				
Operating profit/loss	(8,858,751)	1,105,933	(9,225,264)	563,123
	(8,858,751)	1,105,933	(9,225,264)	563,123
Adjustment to reconcile profit before tax to net cash flows				
Non-cash:				
Depreciation	907,066	1,210,827	822,413	1,128,839
Amortisation of intangible assets	302,915	235,555	272,412	204,523
Available-for-sale reserve	1,129,472	5,273,873	1,074,378	5,174,470
Profit on disposal of property, plant & equipment	(57,887)	(178,444)	(57,887)	(178,444)
Revaluation (gain)/loss on investment properties	(486,872)	-	(486,872)	-
Interest received	(6,606,538)	(2,627,403)	(6,305,025)	(2,502,337)
Dividend received	(2,752,012)	(2,442,471)	(2,752,012)	(2,442,471)
Working capital adjustments:				
Increase/(Decrease) in provision for unearned premium	(2,632,841)	13,715,419	(2,632,841)	13,715,419
(Increase)/decrease in receivables	26,661,612	129,254,649	27,476,263	7,022,149
Increase in inventories	(476,460)	(68,602)	(476,460)	(68,602)
Increase/(decrease) in trade & other payables	30,214,429	(136,179,443)	29,105,892	(4,961,923)
(Decrease)/increase in provision for claims	225,313	(1,164,497)	225,313	(1,164,497)
Decrease in lease obligations	(269,891)	(80,494)	(269,891)	(80,494)
Decrease in lease deposits	281,062	60,630	281,062	60,630
Increase in unearned reinsurance premium	(3,586,714)	(10,662,284)	(3,586,714)	(10,662,284)
Tax paid	(569,592)	(452,477)	(545,868)	(385,090)
National stabilisation levy paid	(99,178)	-	-	-
Net cash used in operating activities	33,325,133	(2,999,229)	32,918,899	5,423,011
Investing activities				
Acquisition of property, plant and equipment	(930,566)	31,116,209	(820,141)	(752,607)
Acquisition of intangible assets	(89,400)	(301,242)	-	(299,242)
Proceeds from sale of property, plant and equipment	3,495,045	178,444	3,495,045	178,444
Investment properties	-	-	-	-
Purchase / Redemption of long term investments	(2,846,844)	(4,895,618)	(2,906,880)	(3,158,829)
Dividend received	2,752,012	2,442,471	2,752,012	2,442,471
Interest received	6,606,538	2,627,403	6,305,025	2,502,337
Net cash used/flow from investing activities	5,587,582	31,167,667	5,425,857	912,574
Financing activities				
Dividend paid	-	-	-	-
Bonds Issued	-	(8,014,988)	-	-
Medium term loan	-	(13,413,563)	-	-
Net cash used in servicing of finance	-	(21,428,551)	-	-
Changes in cash and cash equivalents	38,912,715	6,739,887	38,344,756	6,335,585
Cash at 1 January	17,768,977	11,029,090	17,127,551	10,791,966
Cash at 31 December	56,681,692	17,768,977	55,472,307	17,127,551
Analysis of changes in cash and cash equivalents				
Cash and bank	22,416,618	9,335,432	22,291,200	8,999,605
Bank Overdraft	(3,396,350)	(6,017,270)	(3,396,350)	(6,017,270)
Short term investments	37,661,424	14,450,815	36,577,457	14,145,216
	56,681,692	17,768,977	55,472,307	17,127,551