Star Assurance

IFRS 17 FINANCIAL STATEMENTS

31st December 2024

Star Assurance

PKF

Financial Statements

31st December 2024

Contents

Star Assurance

Corporate information

31st December 2024

Directors:	Mr. Michael Odartey-Wellington	Chairman
	Boatemaa D. Barfour-Awuah (Mrs.)	Chief Executive Officer
	Mr. Kofi Duffuor	Group CEO – Member
	Mr. Emmanuel Baiden	Group CFO – Member
	Mr. Kwadwo Okoh	Member
	Prof. Charles Andoh	Member
	Mr. Eric Osiakwan	Member
Secretary:	Summers Darko (Mrs.)	
Registered Office:	3rd & 4th Floors, Platinum Place Building Adjacent SU Towers 3 King Tackie Tawia Avenue, Ridge P. O. Box 7532, Accra - North	
Solicitors:	Summers Darko (Mrs.) Legal Department Star Assurance Limited P. O. Box 7532, Accra – North	
Auditors:	PKF GH-GA-093-3684 Farrar Avenue P. O. Box GP 1219 Accra	
Main Bankers:	Stanbic Bank Limited GCB Bank Limited Consolidated Bank Ghana Limited Ecobank Ghana Limited First Bank Ghana Limited Absa Bank of Ghana Limited	

Star Assurance

Directors' report

The directors present herewith the financial statements for the year ended 31 December 2024, which disclose the state of affairs of Star Assurance Limited.

Statement of Directors' Responsibilities:

The directors are responsible for the preparation of the financial statements that give a true and fair view of the Company, comprising the statement of financial position as at 31 December 2024, and the income statement and statement of changes in equity and cash flow for the year then ended. In preparing these financial statements, management has selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and follow International Financial Reporting Standards (IFRSs), and requirements of the Companies Act 2019, (Act 992), and the Insurance Act, 2021 (Act 1061).

Going Concern

The Directors have reviewed the Company's budget and cash flow forecast and considered the Company's ability to continue as a going concern in the light of current and anticipated economic conditions. The budget and the cash flow forecast considered the impact of the Government Domestic Debt Exchange Programme, including projections of the impact on the Company's capital, funding and liquidity requirement.

As part of this assessment, the Directors considered the sufficiency of the Company's financial resources now and post-debt exchange. The management of the Company's financial resources, which it defines as capital, funding and liquidity, and risk capacity, is a critical enabler of the achievement of the Company's stated growth and return targets and is driven by the Company's overall risk appetite.

As part of efforts by the Regulator to mitigate the impact of the Domestic Debt Exchange Program on regulated entities, the National Insurance Commission (NIC), has issued forbearances, which among others include the following:

i. Moratorium on Minimum Capital Requirements (MCR) and Capital Adequacy Ratios (CAR): It means that during the moratorium, the MCR and CAR will not be enforced but regulated entities will be required to operate in such a way as to be able to pay claims and operating expenses.

ii. There will be an initial moratorium for two years after which the situation will be reviewed, and appropriate decision(s) made. A set of guidelines will be developed and issued to guide the operation of regulated entities during the moratorium period. These forbearances will be available to regulated entities that abide by the operational guidelines that will be issued.

iii. Revisions in asset risk discounts. Since the asset risk discounts are used to calculate the CAR, this is considered to be covered by the moratorium.

iv. Revisions to Claims payments timelines. The number of working days within which non-life claims are to be paid after the signing of the discharge voucher will be increased from 5 to 15.

v. Release of up to 50% of the Statutory Deposit. This shall be for the sole purpose of paying claims and shall be replaced within two (2) years.

The Company has conducted stress tests by incorporating the regulatory forbearances to determine the impact on capital and for that matter going concern. The outcome is that the Company's Capital is above the regulatory minimum requirement. Based on the above, the Directors are satisfied that the Company has resources to continue in business for the foreseeable future. The Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Star Assurance

Directors' report

Nature of Business

The principal activity of the Company is the provision of insurance services in accordance with the Regulations of the Company. There were no changes in the principal activities carried out during the year.

Share Capital

The Company has a paid-up capital of GH¢130.235million as at December 2024 (December 2023 GH¢130.235 million), which is far more than the minimum capital requirement by the National Insurance Commission (NIC) of GH¢50 million.

Details are shown in note 24 of the attached financial statements.

The shareholding structure of the Company as at December 31, 2024, remains as follows:

List of Shareholders	No. of Shares	Dec.24	Dec.23
Star Assurance Group Ltd.	6,294 869,539	**99.9979%**	99.9979%
Mr. Andrews Basoah	130,461	**0.0021%**	0.0021%
Total	6,295,000,000	**100%**	100%

Corporate Governance

Star Assurance is committed to fulfilling its Corporate Governance obligations and responsibilities in the best interests of the shareholders and other stakeholders.

The Company is committed to best practice and has adopted a Corporate Governance Framework in accordance with International Corporate Governance principles, laws of Ghana, such as the Companies Act, 2019 (Act 992), and the Insurance Act, 2021 (Act 1061). It is the concern of the Board to guarantee that good corporate governance and its associated standards are entrenched in the ideals and business practices driven by the Board.

Roles and Responsibilities of the Board

The role of the Board is to provide leadership and strategic guidance for the Company. The Board is the highest decision-making body of the Company and provides strategic direction and guidance for the business, and represents the interests of the shareholders through the creation of sustainable value. The Board continues to focus on the customers, the people, and the environment in which the Company operates and in doing so enhances long-term shareholder returns.

The Board has developed a robust Corporate Governance Framework in compliance with the National Insurance Commission's (NIC) Corporate Governance Guidelines, which guides the way the Company is governed. The Board Corporate Governance Framework outlines the roles and responsibilities of the Board.

The Board ensures that the Company's governance processes align with regulators' directives and framework. The Board aligns strategies with goals embedded with a high level of ethics and integrity, defining roles and responsibilities, and managing risk effectively.

The Board provides leadership to the Company within the boundaries of risk appetite and a framework of prudent and effective controls that enable risk to be identified, assessed, measured, and controlled. The Board sets the

Directors' report

Company's strategic aims and risk appetite to support the strategy, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.

Separation of the Chairman and Managing Director Roles

The Board Chairman, Mr. Michael Odartey-Wellington is an Independent Non-Executive Director. The separation of authority is set out in writing and agreed by the Board in the Corporate Governance Framework. This enhances independent oversight of Executive Management by the Board and helps to ensure that no one individual on the Board has autonomous power, influence or authority.

Board committees.

There are four (4) Committees that assist the Board in carrying out its responsibilities. These are the Risk Management, Audit & Compliance Committee, the Investment Committee, the Strategy, Finance & IT Committee, and the Human Resource and Governance Committee. In deciding the committee memberships, the Board endeavors to make the best use of the range of skills and experience across board and share responsibility. Membership of the Committees is reviewed on an annual basis or as and when the need arises.

To ensure effective oversight leadership, the Board receives the minutes/reports of all Committee meetings at Board meeting for ratification and approval.

Composition of the Board

The Board is made of seven Directors, out of which three are Independent Directors. Both Executive and Non-Executive Directors have clearly defined roles within the Board structure documented in the Corporate Governance Framework.

Biographical information of directors

No	Name	Profession	Nationality	Date of Birth
1	Mr. Michael Odartey-Wellington	Chartered Accountant	Ghanaian	28-Sep-1965
2	Boatemaa D. Barfour-Awuah (Mrs.)	Chartered Insurer	Ghanaian	29-Nov-1983
3	Mr. Kofi Duffuor	Chartered Insurer	Ghanaian	07-Jan-1966
4	Mr. Emmanuel Baiden	Chartered Accountant	Ghanaian	16-Jan-1967
5	Mr. Kwadwo Okoh	Chartered Insurer	Ghanaian	10-Sep-1979
6	Prof. Charles Andoh	Lecturer/ Risk Analyst	Ghanaian	30-May-1968
7	Mr. Eric Osiakwan	Entrepreneur & Investor	Ghanaian	23-Oct-1978

Star Assurance

Directors' report

Details of serving directors and their other engagements

No	Name	Qualifications	Other Engagements
1	Mr. Michael Odartey-Wellington	Chartered Accountant	Managing Director, Panbros Salt Industries Limited.
2	Boatemaa D. Barfour-Awuah (Mrs.)	Chartered Insurer, MSc (Finance)	Board member - Telemedia Communications Ltd
3	Mr. Kofi Duffuor	Chartered Insurer, MBA	Board Chairman, WAICA Reinsurance Corporation Plc
4	Mr. Emmanuel Baiden	Chartered Accountant, MBA	Star Assurance Group Ltd. CFO; Board member - Telemedia Communications Ltd, Star Microinsurance Co. Ltd, WAICA RE Capital, etc.
5	Mr. Kwadwo Okoh	Chartered Insurance Practitioner (ACII)	Board Trustee - HODA Employee Pension
6	Prof. Charles Andoh	BSc Mathematics, MSc Mathematics, MSc Financial Mathematics, PhD Natural Science	Associate Professor, University of Ghana Business School.
7	Mr. Eric Osiakwan	MSc Finance & Investment, and Fellow: MIT (US); Berkman Klien Centre (Harvard); Digital Visionary Prog. (Stanford)	Board member - Nyaho Medical Center, Cyber City, Starlife Assurance

Independence of Board of Directors

All directors are expected to bring independent and unfettered judgment to the Board's deliberations.
Each Director is expected to disclose any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a Company or other entity that has an interest in the Company or a related entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the Director's independence.

Capacity building of directors to discharge their duties.

On appointment to the board, Directors are provided with full, formal, and tailored program of induction, to enable them gain in-depth knowledge about the company's business, the risks and challenges faced, the economic, legal and regulatory environment in which the Company operates. Board members were sent for a three-day residential workshop on IFR 17, Risk-based Supervision, and Environmental, Social and Governance (ESG) organized by the National Insurance Commission (NIC) in collaboration with The National Insurance College. This training took place in August 2024 at the Aqua Safari Resort in Big Ada in the Greater Accra Region. Programme of strategic and other reviews, together with the other training program provided during the year, ensure that Directors continually update their skills, knowledge, and familiarity with the Company's businesses. This further provides insight into the insurance sector and other developments to enable them effectively to fulfill their role on the Board and committees of the Board.

Star Assurance

Directors' report

Board and Committee Meetings

The Main Board met four times during the year under review. The Risk, Audit and Compliance Committee met three times, whilst the Strategy and Finance Committee also met once. There was a joint meeting of the Investment Committee together with the Strategy, Finance and IT Committee during the year. There was, however, no separate meeting for the Investment Committee and the Human Resource and Governance Committee during the year 2024.

	Main Board	Risk Mgt., Audit & Comp.	Strategy, Finance & IT	Investment Committee	HR & Governance
Number of Meetings held in 2024	**4 Meetings**	**3 Meetings**	**2 Meetings**	**1 Meeting**	**No Meeting**
Mr. Michael Odartey-Wellington	4 Meetings	N/A	N/A	N/A	N/A
Boatemaa D. Barfour-Awuah (Mrs.)	4 Meetings	3 Meetings	2 Meetings	1 Meetings	No Meeting
Mr. Kofi Duffuor	4 Meetings	N/A	N/A	No Meeting	No Meeting
Mr. Emmanuel Baiden	4 Meetings	3 Meetings	2 Meetings	1 Meeting	N/A
Mr. Kwadwo Okoh	4 Meetings	N/A	N/A	N/A	No Meeting
Prof. Charles Andoh	4 Meetings	3 Meetings	2 Meetings	N/A	N/A
Mr. Eric Osiakwan	3 Meetings	N/A	2 Meetings	N/A	N/A

Corporate Social Responsibilities

Star Assurance recognises that it operates within a community comprising various stakeholders and therefore demonstrates its responsibility to the community through activities that deepen the partnership and relationship existing between them.

Star Assurance will continue to assess the critical needs of its community and provide the necessary support with the aim of enhancing its core values.

In 2024, Star Assurance remained committed to its Corporate Social Responsibility (CSR) initiatives, focusing on community support, health awareness, and educational improvement.

The Company's partnership arrangement with "Hope for Little Lives" was given a further boost by committing Gh¢5.00 of each Motor Third Party Xtra product sold to support their biennial health outreach programmes. This commitment was to further enhance the Company's support towards childhood surgeries organized in deprived communities across Ghana for less privileged children in these areas. A total amount of Gh¢2,855 was realized from 577 Motor Third Party Xtra policies sold during the year 2024. A total of 91 free pediatric surgeries were conducted by the medical team in the year 2024 (48 in the Efutu District - Winneba, and 43 in the Yendi District). About 2,042 children in the two districts were also screened for various health conditions, with medications administered as needed. Several students from both first and second cycle institutions the two districts were engaged on personal grooming, whilst Easter and Christmas parties were also held to show love to the less privileged children in these communities.

Star Assurance

Directors' report

The Company also supported the Down Syndrome Ghana Foundation in their 2024 campaign aimed at raising public awareness and to foster understanding of Down syndrome, promoting inclusivity and support for individuals and families affected by this condition.

Demonstrating our commitment to environmental sustainability, Star Assurance partnered with Zoomlion for a community clean-up at the Kaneshie Main Lorry Station. Cleaning materials, including dustbins and other essential items, were donated to the station's union to support ongoing cleanliness efforts. Additionally, the Road Safety Authority was contacted to engage with drivers at the station, delivering important messages about road safety to enhance public awareness and safety.

In a bid to promote healthy living, Star Assurance organized a health walk that welcomed our partners, clients, and members of the general public. Participants walked from Accra Mall to the El-Wak Sports Stadium, where we hosted an engaging aerobics session followed by informative health talks.

In our ongoing commitment to education, Star Assurance also provided support to Mfatsiman Girls High School for the rehabilitation of their library.

In all a total of Gh¢161,000 was spent on corporate social responsibility activities during the year 2024.

Star Assurance will continue to assess the critical needs of its community and provide the necessary support with the aim of enhancing its core values.

Particulars of entries in the Interest Register

No Director had interest in contracts or proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interest Register as required by section 194(6), 195(1)(a), 196 of the Companies Act, 2019 (Act 992)

Directors' Remuneration

Determining the remuneration of the Directors is subject to shareholders' approval. The Board Chairman was paid a net monthly fee of Gh¢5,000 and a sitting allowance of Gh¢3,300 per Board meeting. The other Non-Executive Directors were paid a monthly fee of Gh¢4,600 and a sitting allowance of GHS3,000 per meeting.

Auditors and Auditors' fees

In accordance with section 139 (5) of the Companies Act, 2019 (Act 992), Messrs. PKF remains in office as auditors for the Company. As of December 2024, the amount payable in respect of audit fees was Gh¢280,000 (2023: Gh¢170,000). Fees are quoted exclusive of VAT and any other applicable taxes.

Significant Development

The Directors are not aware of any significant development after the balance sheet date that has an extraordinary impact on the operations of the Company, and which requires separate disclosure.

Directors' report

Other Matters

The directors confirm that no matters have arisen since 31 December 2024 which materially affect the financial statements of the Company for the year ended on that date.

Financial results

The financial results for the year ended 31 December 2024 are set out below:

Account	Dec-24 Gh¢'000	Dec-23 Gh¢'000
Profit before Tax	**34,662**	51,065
Corporate tax provision of	**(11,423)**	(81)
and Growth and Sustainability Levy	**(1,733)**	(2,553)
leaving Net Profit after Tax of	**21,506**	48,431
which is added Income Surplus Account brought forward from 31 December of the previous year	**100,175**	66,106
making a total Income Surplus of	**121,681**	114,537
from which is deducted:		
Dividend paid of;	**(10,526)**	(1,244)
a transfer to Contingency Reserve of	**(13,017)**	(13,118)
leaving a net balance on the Income Surplus Account which is carried to the Statement of Financial Position	**98,138**	100,175

Board Chairman
Date: 30-April-2025

Chief Executive Officer
Date: 30-April-2025

Director
Date: 30-April-20

Deloitte.

P.O.Box GP 453
Accra
Ghana

Deloitte & Touche
The Deloitte Place
Plot No. 71
Off George Walker - Bush Highway
North Dzorwulu
Accra, Ghana

ACTUARIAL OPINION

I have conducted an actuarial valuation of the insurance business of Star Assurance Company Limited as of 31 December 2024.

The valuation was conducted in accordance with generally accepted actuarial principles and in accordance with the requirements of International Financial Reporting Standard 17.

In completing the actuarial valuation, we have relied upon the data provided by the Company.

Katlego Thaba

Statutory Actuary

Fellow of the Actuarial Society of South Africa

Fellow of the Actuarial Society of Ghana

2 May 2025

Star Assurance

Statement of directors' responsibilities

The Companies Act, 2019 (Act 992) requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the profit or loss for that year.

In preparing the financial statements, the Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 31 December 2024. The Directors confirm that the financial statements have been prepared on a going concern basis.

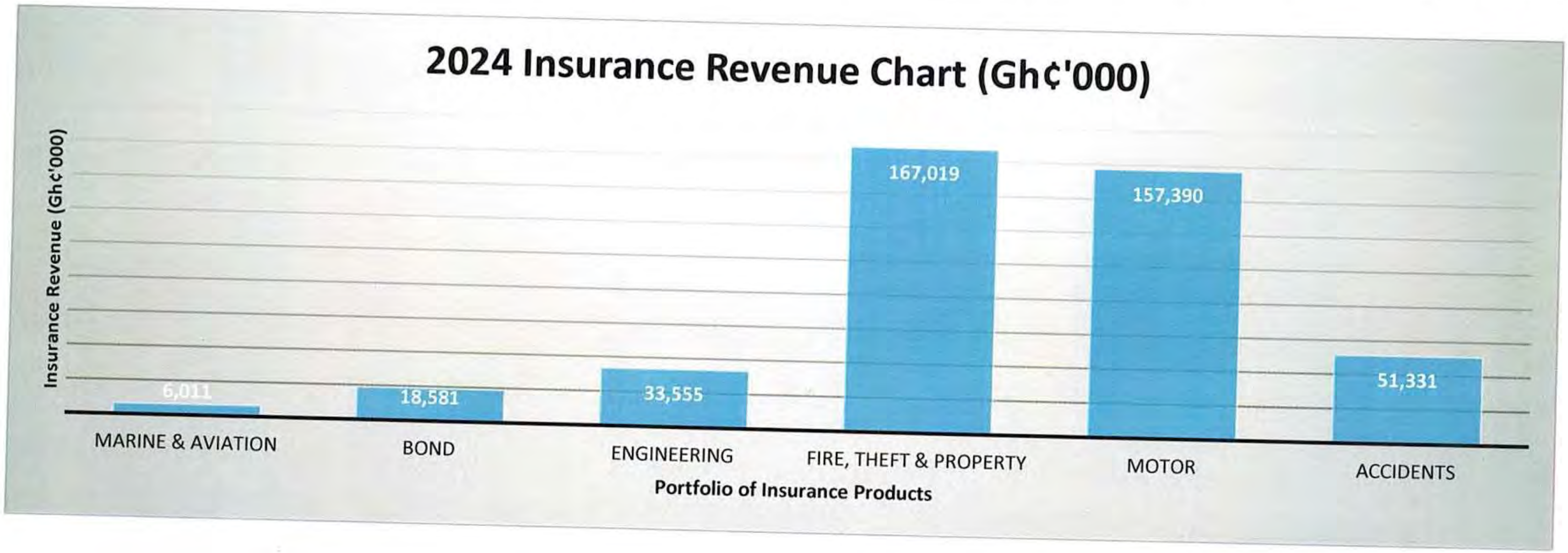
The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company, and which enable them to ensure that the financial statements comply with International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Insurance Act, 2021 (Act 1061). They are also responsible for safeguarding the assets of the Company, and hence, for taking steps for the prevention and detection of fraud and other irregularities. This responsibility includes:

- Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error
- Selecting and applying appropriate accounting policies
- Making accounting estimates that are reasonable in the circumstances.

Star Assurance

Financial highlights (Summary) as at 31st December, 2024

	Marine & aviation	Bond	Engineering	Fire, theft & property	Motor	Accidents	Total
Portfolio Grouping	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Insurance Revenue	6,011	18,581	33,555	167,019	157,390	51,331	**433,887**
Insurance service result before reinsurance contracts held	5,781	(29,652)	20,516	186,074	49,010	26,841	**258,570**
Net expense/income from reinsurance contracts held	(3,302)	39,776	(38,604)	(171,033)	(10,897)	(23,786)	**(207,846)**
Insurance service result	2,479	10,124	(18,088)	15,041	38,113	3,055	**50,724**
Net insurance finance result	(115)	41	1,090	(6,210)	(809)	(591)	**(6,594)**
Net insurance result	2,364	10,165	(16,998)	8,831	37,304	2,464	**44,130**
Other operating expenses	(1,109)	(3,428)	(6,191)	(30,816)	(29,039)	(9,472)	**(80,055)**
Results after reporting activities	1,255	6,737	(23,189)	(21,985)	8,265	(7,008)	**(35,925)**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAR ASSURANCE LTD FOR THE YEAR ENDED 31 DECEMBER 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Star Assurance Ltd which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Insurance Act, 2021 (Act 1061).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, (IESBA Code), (including International Independence Standards), together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Actuarial valuation of insurance contract

The actuarial valuation of insurance contract involves high estimation uncertainties and requires management to apply significant judgment and assumptions over uncertain future outcomes. Actuarial liability at the end of the reporting period is detailed in note 32 and 33 of the financial statements. The determination of this value requires significant judgment in the selection of key assumptions and methodologies.

National Insurance Commission (NIC) sets out a particular methodology (chain ladder, average cost per claim, Bornhuetter Ferguson or Standard Development) that the Actuary should follow and specifies the main sections the report must cover. There is the risk that the valuation method may not be consistent with previous years in an attempt to achieve a favorable position. The Actuary exercises significant judgement in selecting the appropriate method to use in estimating actuarial liability and asset. Therefore, there is significant measurement uncertainty involved in this valuation. As a result, the valuation of these instruments was significant to our audit.

Provisions for insurance contracts primarily comprise premium provisions (liability for remaining coverage, LRC) and claims provisions (liability for incurred claims, LIC) as well as (asset for remaining coverage, ARC) and claims provisions (asset for incurred claims, AIC). The IFRS 17 premium allocation approach (PAA) is applied for measurement of groups of insurance contracts. Accounting estimates in respect of provisions for insurance contracts is an experience-based estimate involving use of historic claims data and complex actuarial methods and models, which involve significant assumptions on the frequency and extent of insurance events relating to the insurance contracts. Furthermore, the estimated liability and asset for claims that have occurred but are yet to be reported in respect of insurance contracts involve judgment and economic assumptions such as discounting and risk adjustments for which eventual outcomes are uncertain and may deviate from the estimates. The level of complexity, the significant judgments, and assumptions applied by management in estimating these insurance contract liabilities is of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following:

• We evaluated Management's Premium Allocation Approach (PAA) eligibility assessment.

• We evaluated the appropriateness of methods/models and assumptions to determine ultimate expected claims including ultimate claims ratios, frequency and severity of claims, payment patterns, and estimate discount rate curves.

• We evaluated the completeness, accuracy, and relevance of data and performed a reconciliation between source administration systems, data warehouse, and model.

- We evaluated the appropriateness and tested the mathematical accuracy of models, assumptions, and data applied.

- We evaluated whether the Company's methodology to determine expected premium receipts including the methodology for allocation of expected premium receipts to periods.

- We involved our actuarial specialists to evaluate to assist in auditing the methods and significant assumptions/ judgements.

- With the assistance of our actuarial specialists, we assessed whether the key judgements and assumptions are reasonable.

- We performed walkthroughs on the computation of Insurance revenue for selected portfolios for each cohort under the PAA.

- We performed a recalculation of insurance revenue for groups of contracts under the PAA.

- We evaluated whether insurance acquisition cash flows have been/not been expensed in line with management's policy.

- We assessed and challenged the assumptions used in estimating risk adjustments to evaluate whether it is in line with the requirements of relevant accounting standards and industry practices.

- We assessed whether the method/ model for determining future cash flows is in line with the requirements of relevant accounting standards and standard industry practices.

- We assessed whether the disclosures on provisions for insurance contracts were adequate.

- We also assess the objectivity, independence, and competence of the Actuary.

- We reconciled the data to the financial statements and the books of account.

- Our review did not show any material inconsistencies. We considered the disclosure relating to the Actuarial liability and asset and have found it to be appropriate and adequate.

PKF

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Actuary's Report, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Insurance Act, 2021 (Act 1061) and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. The Board of Directors is responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF

Report on Other Legal and Regulatory Requirements

The Companies Act 2019, (Act 992) requires that in carrying out our audit we consider and report to you 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 purpose of our audit.

ii) In our opinion proper books of account have been kept by Star Assurance Ltd so far as appears from our examination of those books, and proper returns adequate for audit purposes have been received from branches not visited by us.

iii) The statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.

iv) The financial statements give a true and fair view of the state of affairs of the Company and its results for the year under review

v) Adequate disclosures have been made in the financial statements for the directors' emoluments and amount due from officers and the amounts reported in the financial statements are in agreement with the accounting records and returns.

vi) We are independent of the Company in accordance with Section 143 of the Companies Act, 2019 (Act 992).

vii) In accordance with section 151(i) of the Insurance Act, 2021 (Act 1061) Star Assurance Ltd has kept accounting records that are sufficient to explain its insurance business and any other business that it carries on.

The engagement partner on the audit resulting in this independent auditor's report is **Dominic Dorkenoo (ICAG/P/1448).**

PKF
....

DOMINIC DORKENOO (ICAG/P/1448).
FOR AND ON BEHALF OF PKF (ICAG/F/2025/039)
CHARTERED ACCOUNTANTS
FARRAR AVENUE
ACCRA.

5TH MAY **2025.**

Star Assurance

Statement of financial position as at 31st December, 2024

	Notes	31-Dec-24 GH¢'000	31-Dec-23 GH¢'000
ASSETS			
Property and equipment	17	14,896	2,494
Right of use Leased Assets	18.1	4,718	5,633
Intangible assets	19	340	384
Investment Property	20	178,823	190,007
Equity Investments	21.1	586,915	594,063
Loans and Receivables	22	69,452	13,563
Current tax asset	16.2	-	3,583
Debt Instruments	21.3	76,763	45,555
Reinsurance Contract Assets			
Asset for incurred claims	32	29,136	58,593
Asset for remaining coverage	32	87,891	64,585
Cash and bank balances	23	10,807	7,967
TOTAL ASSETS		**1,059,741**	986,427
SHAREHOLDERS' EQUITY AND LIABILITIES EQUITY			
EQUITY			
Stated capital	24	130,235	130,235
Equity investment reserve	21.2	338,376	335,770
Contingency reserve	24	72,526	59,509
Insurance contracts issued finance reserve		5,332	5,332
Reinsurance contracts held finance reserve		(1,675)	(1,675)
Retained earnings		98,138	100,175
TOTAL EQUITY		**642,932**	629,346
LIABILITIES			
Lease Liability	18.2	803	1,423
Loan Facility	28	377	12,002
Creditors and Accruals	27	42,291	21,661
Deferred tax liability	30	112,575	113,530
Current tax asset	16.2	1,445	-
Growth & Sustainability Levy	29	1,141	2,805
Insurance Contract Liabilities			
Liability for incurred claims	31	99,849	93,411
Liability for remaining coverage	31	158,328	112,249
TOTAL LIABILTIES		**416,809**	357,081
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,059,741**	986,427

Approved by the Board on 30th April, 2025.

....	....	....
Board Chairman	**Chief Executive Officer**	**Director**
Date: 30-April-2025	**Date: 30-April-2025**	**Date: 30-April-2025**

Star Assurance

Statement of Comprehensive income.

For the year ended 31st December 2024

	Notes	2024 GH¢'000	2023 GH¢'000
Insurance revenue	7	**433,887**	411,047
Incurred claims and insurance contracts expenses	8	**(106,996)**	(70,356)
Insurance contract acquisition cashflows	8	**(68,321)**	(48,911)
Insurance service expense		**(175,317)**	(119,267)
Insurance service result before reinsurance contracts held		**258,570**	291,780
Allocation of reinsurance premiums	9	**(240,688)**	(181,318)
Amount recoverable from reinsurers for incurred claims	9	**32,842**	37,738
Net expense from reinsurance contracts held		**(207,846)**	(143,580)
Insurance service result		**50,724**	148,200
Finance expense from contracts issued	10	**(15,686)**	(3,955)
Finance income/(expense) from reinsurance contracts held	10	**9,092**	428
Net insurance financial result		**(6,594)**	(3,527)
Net insurance result		**44,130**	144,673
Operating Expenses	39	**(96,284)**	(77,401)
Impairment charge on financial assets	21.4	**-**	(21,317)
Exchange losses	38	**(2,322)**	(8,441)
Other finance cost	15	**(6,356)**	(6,339)
Investment income	12	**35,657**	19,606
Impairment write back	21.4	**7,963**	-
Other income	13	**51,874**	284
Operating profit before taxation		**34,662**	51,065
Income Tax expense	16.2	**(11,423)**	(81)
Growth & sustainability levy	29	**(1,733)**	(2,553)
Profit for the year		**21,506**	48,431
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Fair valuation gains on Equity Instrument at FVTOCI		**655**	179
Tax attributable to component of Other comprehensive Income		**1,951**	247
Finance income/(expense) from insurance contracts issued	11	**-**	(1,434)
Finance income/(expense) from reinsurance contracts held	11	**-**	(1,097)
Total comprehensive income for the year		**24,112**	46,326

Star Assurance

Statement of Changes in Equity

For the year ended 31st December 2024

2024	Stated Capital	Equity Investment reserves	Contingency reserves	Insurance contracts issued finance reserve	Reinsurance contracts held finance reserve	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as at 1 January	**130,235**	**335,770**	**59,509**	**5,332**	**(1,675)**	**100,175**	**629,346**
Profit for the year						**21,506**	**21,506**
Other comprehensive income							
Gains on equity investment revaluation		655					**655**
Deferred Tax attributable to Other Comp. Income	-	1,951	-	-	-	-	**1,951**
Total other comprehensive income	**130,235**	**338,376**	**59,509**	**5,332**	**(1,675)**	**121,681**	**653,458**
Transactions with equity holders:							
Dividend paid						(10,526)	**(10,526)**
Transactions within equity:							**-**
Transfer to/(from) contingency reserve	-	-	13,017	-	-	(13,017)	-
Balance as at 31 December	**130,235**	**338,376**	**72,526**	**5,332**	**(1,675)**	**98,138**	**642,932**

Star Assurance

Statement of Changes in Equity

For the year ended 31st December 2024

2023	Stated Capital GH¢'000	Equity investment reserves GH¢'000	Contingency Reserves GH¢'000	Insurance contracts issued finance reserve GH¢'000	Reinsurance contracts held finance reserve GH¢'000	Retained Earnings GH¢'000	Total GH¢'000
Balance as at 1 January	130,235	334,356	46,391	6,766	(578)	66,106	583,276
Profit for the year						48,431	48,431
Other comprehensive income:							-
Additional Investment		988					988
Finance expense from contracts issued	-	-	-	(1,434)	-	-	(1,434)
Finance expense from reinsurance contracts held	-	-	-	-	(1,097)	-	(1,097)
Gain on equity investment revaluation		179					179
Tax attributable to components of Other Comprehensive Income		247					247
Transactions with equity holders:							-
Dividends paid						(1,244)	(1,244)
Transactions within equity:							-
Transfer to/(from) contingency reserve	-	-	13,118	-	-	(13,118)	-
Balance as at 31 December	**130,235**	**335,770**	**59,509**	**5,332**	**(1,675)**	**100,175**	**629,346**

Star Assurance

Statement of Cash Flows.

For the year ended 31st December 2024

	2024	2023
	GH¢'000	GH¢'000
Operating Profit before tax	**34,662**	**51,065**
Adjustments for:		
Depreciation charges	4,942	1,504
Amortization of Intangible Assets	346	286
Amortization of Right of Use Lease Assets	2,553	1,888
Impairment	(7,963)	21,317
Notional Lease Finance Cost	5,199	4,860
Interest on borrowing	1,157	-
Adjustment on LRC	16,229	-
Gains on Available-for-sale assets	(6,493)	-
Investment income	(35,657)	(19,606)
Profit on disposal of assets	(2,372)	(15)
Operating cash flow before movement in working capital	**12,603**	**61,299**
Working capital reconciliation:		
Change in Loans and Receivables	(55,889)	(6,456)
Change in Reinsurance contract assets	6,151	(86,386)
Change in Insurance contract liabilities	52,517	60,752
Change in Creditors and Accruals	20,629	15,308
	36,011	**44,517**
Corporate tax paid	(9,978)	(4,117)
National Fiscal Stabilization Levy paid	(592)	(328)
Net Cash Inflow from Operating Activities	**25,441**	**40,072**
Investing Activities		
Acquisition of Property and equipment	(17,343)	(865)
Proceeds from disposal of assets	2,372	15
Acquisition of Right of use Leased Assets	(1,638)	(155)
Acquisition of Intangible assets	(302)	(103)
Sale of Investment Property	11,300	(1,272)
Acquisition of investment property	(116)	-
Investment income	35,657	19,606
Acquisition of Equity Investments at FVOCI	-	(82,456)
Sale of Equity Investment at FVOCI	7,803	-
Change in Debt Instrument	(31,208)	1,039
Net cash flow from investing activities	**6,526**	**(64,191)**
Financing Activities		
Lease payments	(5,819)	(6,716)
Payment of Bank loan	(12,781)	12,002
Bank Overdraft	-	(950)
Dividend paid	(10,526)	(1,244)
Net cash flow from financing activities	**(29,126)**	**3,092**
Net movement in cash	2,840	(21,027)
Opening Cash Balance	7,967	28,994
Closing Cash Balance	**10,807**	**7,967**

Notes to the financial statements

For the year ended 31st December 2024

1. General Information

1.1. Corporate information

Star Assurance Limited Company, a company limited by shares was incorporated in Ghana under the Companies Act, 2019 (Act 992) and the Insurance Act, 2021 (Act 1061). The company is permitted by its regulations to carry on, inter alia, the business of non-life insurance business, including fire, motor, general accident, engineering, marine, travel and aviation. The registered office of the Company is the 3rd and 4th Floors of the Platinum Place Building, 3 King Tackie Tawiah Avenue, Ridge, Accra - Ghana.

1.2. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB), as required by the Institute of Chartered Accountants (Ghana), the National Insurance Commission, per the Insurance Act 2021 (Act 1061) and the Companies Act, 2019 (Act 992).

1.3. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs). Additional information required by the Companies Act, 2019 (Act 992) and the Insurance Act, 2021 (1061) are included where appropriate. They have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are fair value through profit or loss; financial instruments that are valued at amortized cost; investment properties and property, plant and equipment. The financial statements are presented in Thousands of Ghana Cedis (Gh¢'000).

2. Application of new and revised International Financial Reporting Standards

2.1 New and amended IFRS Standards that are effective for the current year (2022)

In the current year, the Company has applied a number of amendments to Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the Company's financial statements.

2.2 IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty and takes into account market interest rates.

The Company has applied the principles for recognition, measurement and presentation to all contracts that meet the definition of an insurance contract under IFRS 17.

Notes to the financial statements

For the year ended 31st December 2024

2.3 Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before.

The Company has adopted the amendments to IAS 16 for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

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

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

2.4 Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.

They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

2.5 Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a contract.

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

2.6 Annual Improvements to IFRS Accounting Standards 2018–2020 Cycle

The Company has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

Notes to the financial statements

For the year ended 31st December 2024

i. IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a)
This however does not apply to the company.

ii. IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

iii. IFRS 16 Leases

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

iv. IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2

An accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.
On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted.
This standard does not however apply to the operations of the Company.

v. Amendments to IAS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments.
An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight.
This standard became effective for annual periods beginning on or after 1 January 2018.

vi. IAS 41 Agriculture

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

Notes to the financial statements

For the year ended 31st December 2024

2.7 New and revised IFRS Accounting Standards in issue but not yet effective

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

Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3 Critical accounting estimates and judgement

The preparation of financial statements in conformity with IFRSs requires Management to make judgement, certain critical accounting estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and other factors that are reasonable under the circumstances, the results of which form the basis of making judgement about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

3.4 Valuation of insurance contract liabilities

The following are key estimations that the directors have used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in financial statements:

- *Technique for estimation of future cash flows:* In estimating FCF included in the contract boundary, the Company considers all the range of possible outcomes in an unbiased way specifying the amount of cash flows, timing and a probability of each scenario reflecting conditions existing at the measurement data, using a probability-weighted average expectation. The probability-weighted average represents the probability-weighted mean of all possible scenarios. In determining possible scenarios, the Company uses all the reasonable and supportable information available to them without undue cost and effort, which includes information about past events, current conditions and future forecasts.

- *Method of estimating discounts rates*: In determining discount rates for different products, the Company uses the bottom-up approach for cash flows of nonparticipating contracts as recommended by the NIC guide.

- *Estimation of allocation rate in systematic allocation of insurance finance income or expenses:* The Company uses the constant rate in the systematic allocation of insurance finance income or expenses.

The constant rate used in a period is calculated applying the formula which uses three variables: the estimate of future cash flows at the end of the reporting period (not discounted), the present value of future cash flows brought forward discounted by the constant rate used in the previous period, and the expected duration of the group contracts. In determining the constant rate, the Company estimates the expected insurance finance income or expense over the remaining duration of the group that is partly implicit in the estimated cash flows.

3.1 Valuation of insurance contract liabilities (continued)

- *Risk adjustment for non-financial risk:* The risk adjustment for the non-financial risk is the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Company-specific price for bearing that risk and reflects the degree of the Company's risk aversion. The Company determines the risk adjustment for non-financial risk at the entity level and then allocates it to all the groups of insurance contracts. In estimating the risk adjustment, the Company uses the Value at Risk method whiles following the recommendations from the NIC guide with a 75% confidence level (2022: 75%).

- *Allocation of asset for insurance acquisition cash flows to current and future group of contracts:* The Company allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Company estimates the expected contract to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

- *Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario:* When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

- *Probability of default:* PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations for future conditions.

- *Loss Given Default:* LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral.

- *Fair value measurement and valuation process:* In estimating the fair value of a financial asset or a liability, the Company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available the Company uses valuation models to determine the fair value of its financial instruments.

3.5 The ultimate liability arising from claims made under insurance contracts.

The estimation of the ultimate liability arising from claims made under insurance contracts is the company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimation of the liability that the company will ultimately pay for such claims. For example, insurance contracts are sold out to different insured who are exposed to diverse insurance risks.

3.6 Impairment of available-for-sale financial assets

The company assesses at each reporting date whether there is objective evidence that available-for-sale financial assets are impaired and impairment loss determined when the fair value of the asset is significantly less than its carrying amount shown in the books of the company. This determination of what is significant requires judgement. In making this judgement, the company evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and financing and operational cash flows.

Notes to the financial statements

For the year ended 31st December 2024

3.7 Fair value of non-financial instruments

The fair value of non-financial assets reflects the highest and best use of the assets from a market participant's perspective. Fair value measurements of non-financial assets take into account 'a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use', with due consideration given to what is physically possible, legally permissible and financially feasible.

4 Summary of significant accounting policies

4.4 Insurance contracts

A. Summary of measurement methods

The Company issues the following contracts that are accounted for using different measurement methods:

- Motor, Fire, Theft and Property, accident, engineering, bonds, marine and aviation, agriculture, Travel and other approved products and home insurance policies. The Company issues fully comprehensive and third-party liability car insurance policies as well as home insurance policies for contents and buildings with coverage of one year or less which are accounted for applying the Premium Allocation Approach (PAA);
- In addition to issuing all these insurance contract and investment contracts, for home and motor, the Company holds quota share reinsurance contracts accounted for applying the PAA.

B. Definitions and classifications

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether it contains significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Some contracts issued by the Company which have the legal form of an insurance contract but do not transfer significant insurance risk to the Company are not classified as insurance contracts and follow financial instruments or service contracts accounting applying IFRS 9 or IFRS 15 respectively.

The following products do not meet the definition of an insurance contract and are accounted for respectively as financial liabilities measured at fair value through profit or loss (FVTPL) applying IFRS 9 and as service contracts applying IFRS 15:

- investment contracts without discretionary participation features; and
- annual health insurance contracts where the policyholder (usually an employer who insures his employees) funds nearly all of the benefits payable under the relevant insured events and the Company refunds nearly all of the premium if there are lower amounts of benefit payable. The Company is compensated in these contracts for the claims administration service provided.

The Company issues certain insurance contacts to allow policyholders to participate in investment returns with the Company, in addition to compensation for losses from insured risk.

C. Separating components from insurance and reinsurance contracts

Some insurance contracts issued by the Company have several components in addition to the provision of the insurance coverage service, such as an investment component, an investment management service, an embedded derivative and a provision of some other distinct goods or non-insurance services.

The Company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other Standards.

When these non-insurance components are non-distinct, they will be accounted for together with the insurance component as part of the accounting for an insurance contract.

The Company first considers the need to separate distinct embedded derivatives and investment components before assessing the need to separate any non-insurance services component.

D. Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of the product lines. The Company determines that all contracts within each product line, as defined for management purposes, have similar risks and, therefore, represent a portfolio of contracts when they are managed together. Some products issued by different entities within the Company are considered as managed at the issuing entity level because the management of the solvency capital supporting the issuance of these contracts is ringfenced within those entities.

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Company segregates contracts based on when they were issued. A portfolio contains all contracts that were issued within a 12-month period. Each portfolio is then further disaggregated into three groups of contracts:

a) Contracts that are onerous on initial recognition.
b) Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently, and any remaining contracts in the portfolio.

In determining the appropriate group, the Company measures a set of contracts together using reasonable and supportable information. The Company applies significant judgement in determining at what level of granularity the Company has sufficient information to conclude that all contracts within a set will be in the same group. In the absence of such information the Company assesses each contract individually.

The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition, with fulfilment cash flow expectations determined on a probability-weighted basis. The group determines the appropriate level at which reasonable and supportable information is available to assess whether the contracts are onerous at initial recognition and whether the contracts not onerous at initial recognition have a significant possibility of becoming onerous subsequently.

All groups include only contracts issued within a 12-month period. The composition of groups established at initial recognition is not subsequently reassessed.

Notes to the financial statements

For the year ended 31st December 2024

D. Level of aggregation (continued)

For motor and home insurance contracts accounted for applying the premium allocation approach (PAA), the Company determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If the facts and circumstances indicate that some contracts are onerous, the Company performs an additional assessment to determine whether some contracts are onerous. In making the assessment, the Company uses information about estimates provided by its internal reporting.

Some motor insurance contracts within a portfolio would fall into different groups only because of specific constraints imposed by law or regulation on the Company's practical ability to set a different price or level of benefits for male and female policyholders. The Company includes those contracts in the same group.

Rule for profitability groupings – non-life

For non-life, the rule for profitability groupings will base combined ratio which defined as:

- Combined Ratio (A) = Ultimate ratio+ Risk Adjustment factor +Expense Ratio + Acquisition Ratio
- Combined Ratio (B) = Ultimate ratio+ 1.5*Risk Adjustment factor +Expense Ratio + Acquisition Ratio

Where;

- Ultimate Ratio is defined as the ratio of Ultimate Loss to Gross written premium.
- Risk Adjustment factor as defined under risk adjustment for premium risk.
- Expense Ratio defined as the ratio of attributable expenses included in the estimation of insurance liability to Gross written premium.
- Acquisition Ratio defined as the ratio of acquisition expenses included in the estimation of insurance liability to Gross written premium.

Thus, the rule for profitability groupings for non-life are as follows:

- Onerous Contract: Combined ratio (A) > 100%
- Others: Combined ratio (B) > 100%
- Profitable contract: Combined Ratio(B) ≤ 100%

E. Classification of insurance products

The NIC has provided the below classification of IFRS 17 Portfolios of non-life business based on similar risks managed together:

Fire, Theft and Property

Contracts of insurance against loss or damage to property, and consequential losses, due to fire, explosion, storm and other natural perils and other perils customarily included in fire insurance policies. Excluding insurance of a type described above which is incidental to some other class of insurance business.

Contracts of insurance against loss or damage to property due to theft or any other cause not covered under any other class, including consequential losses. This includes Burglary, all risks and other theft insurance, Cash–in–transit and Fidelity guarantee.

E. Classification of insurance products (Continued)

The following are IFRS 17 portfolios that are classified under fire, theft, and Property:

- Private dwelling (building + content)
- Private dwelling (building only)
- Private dwelling (content only)
- Commercial (building + content)
- Commercial (building only)
- Commercial (content only)

Motor

Contracts of insurance against:

a. loss of or damage to motor vehicles.

b. loss or damage arising out of or in connection with the use of, motor vehicles, including third party risks, carrier's liability, and medical expenses for the injury of occupants of a motor vehicle.

The following are IFRS 17 portfolios that are classified under Motor:

- Motor comprehensive
- Motor third party fire & theft
- Motor third party only
- Other approved motor products

Accident

a. Contracts of insurance that provide fixed pecuniary benefits or benefits in the nature of an indemnity (or a combination of both) against risks of the person insured.
b. sustaining accidental injury,
c. dying because of an accident,
d. becoming incapacitated because of disease,
e. attributable to sickness or infirmity.

This class excludes any contract of insurance that falls within a class of long-term insurance business.

Contracts of insurance against the liability of an employer to the employer's employees in relation to any injury or disease arising out of, or in the course of, their employment Contracts of insurance against loss of or damage to merchandise, baggage, and all other goods in transit, irrespective of the form of transport.

Contracts of insurance against risks of the persons insured incurring liability to third parties (excluding any risks relating to the other classes of business). They include;

(i) Public liability,
(ii) Professional indemnity,
(iii) Products liability, and
(iv) Other Liability insurances

The following are IFRS 17 portfolios that are classified under Accident:

- Public liability
- Professional indemnity
- Workers' compensation/employer's liability
- Personal accident
- All other accident policies

Notes to the financial statements

For the year ended 31st December 2024

Engineering

Contracts of insurance against

a) loss or damage to plant and machinery.
b) loss or damage arising out of the use or operation of plant and machinery, including loss of or damage to surrounding property of the insured, liability to third parties for damage to property, injury or loss of life;
c) loss or damage arising out of contract work in relation to plant and machinery, including damage to property on site and third-party risks.

The following are IFRS 17 portfolios that are classified under Engineering:

- Engineering-all risk
- Other engineering policies

Bonds

a) Contracts of insurance against the risk of financial and other losses to the person insured.
b) arising from the failure of debtors to pay their debts when due, whether by reason of their insolvency or otherwise (credit insurance);
c) arising from the person insured having to perform contracts of guarantee entered by them, including performance bonds, fidelity bonds, administration bonds and other similar contracts of guarantee (suretyship);
d) Attributable to the person insured incurring legal expenses, including the cost of litigation (legal expenses insurance);
e) Attributable to the person insured incurring other unforeseen expenses (not falling within any other class of general insurance), including fidelity and kidnap and ransom insurance (miscellaneous financial loss insurance)

All classes of Bonds are classified as one portfolio under Bonds.

Marine & Aviation

These are contracts of insurance against

a) loss of or damage to marine craft or the equipment or fittings of marine craft;
b) loss or damage arising out of or in connection with the freight, use, construction or repair of marine craft, including third party risks, carrier's liability and medical expenses for the injury of occupants of a marine craft, including crew. It includes marine hull and cargo.

And

Contracts of insurance against

a) loss of or damage to aircraft or aircraft equipment or fittings.
b) loss or damage arising out of or in connection with the use of aircraft, or the construction or repair of aircraft, including third party risks, carrier's liability, airport owner's liability and medical expenses for the injury or loss of life of occupants of an aircraft, including aircrew.

The following are IFRS 17 portfolios that are classified under Marine and Aviation:

- Marine cargo
- Marine hull
- Aviation

G. Measurement of insurance contracts issued

i. Insurance contracts under the premium allocation approach

The Company applies the PAA to the measurement of motor and home insurance contracts with a coverage period of each contract in the group of one year or less.

On initial recognition, the Company measures the LRC at the amount of premiums received in cash. As all the issued insurance contracts to which the PAA is applied have coverage of a year or less, the Company applies a policy of expensing insurance acquisition cash flows as they are incurred.

Premiums due to the Company for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts. The Company also applies the PAA to the quota share general business insurance contracts held. The coverage period of such reinsurance contracts held is 12 months or less. Thus, the Company at initial recognition applies the PAA.

Applying the PAA, the insurance revenue is measured at the amount allocated from the expected premium receipts excluding any investment component. The allocation is done based on the passage of time unless the expected pattern of release from risk differs significantly from the passage of time, in which case it is recognised on the expected timing of incurred claims and benefits. The Company applies judgement in determining the basis of allocation.

If facts and circumstances lead the Company to believe that a group under PAA has become onerous, the Company tests it for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognise a loss in profit or loss and increases the LRC for the corresponding amount.

ii. Reinsurance contracts held

Recognition

The Company uses facultative and treaty reinsurance to mitigate some of its risk exposures. Reinsurance contracts held are accounted under IFRS 17 when they meet the definition of an insurance contract, which includes the condition that the contract must transfer significant insurance risk.

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 policyholders.

ii. Reinsurance contracts held (continued)

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss. In aggregating reinsurance contracts held, the Company applies the general approach and disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- contracts that on initial recognition have a net gain;
- contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently; and
- any remaining reinsurance contracts held in the portfolio.

For general business quota share reinsurance contracts held accounted for applying the PAA, the Company assumes that all reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

iii. Modification and derecognition

The Company derecognises the original contracts and recognises the modified contract as a new contract, if the terms of insurance contracts are modified and the following conditions are met:

(a) if the modified terms were included at contract inception and the Company would have concluded that the modified contract:
  - is outside of the scope of IFRS 17;
  - results in a different insurance contract due to separating components from the host contract;
  - results in a different contract boundary;
  - includes in a different group of contracts.

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets the definition;

(c) the original contract was accounted applying the PAA, but the modified contract no longer meets the PAA eligibility criteria for that approach.

If the contract modification meets any of the conditions, the Company performs all assessments applicable at initial recognition, derecognises the original contract and recognises the new modified contract as if it was entered for the first time.
If the contract modification does not meet any of the conditions, the Company treats the effect of the modification as changes in the estimates of fulfilment cash flows.

For insurance contracts accounted for applying the PAA, the Company adjusts insurance revenue prospectively from the time of the contract modification.

The Company derecognises an insurance contract when, and only when the contract is:

- extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- modified and derecognition criteria are met.

iv. Presentation

The Company has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, portfolio of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result sub-total that comprises insurance revenue and insurance service expenses and, separately from the insurance service result, the insurance finance income or expenses. The Company has voluntarily included the insurance finance income or expenses line in another sub-total: insurance finance result, which includes also the income from all the assets backing the Company's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

Insurance revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled to in exchange for those services.

When applying the PAA, the Company recognises insurance revenue for the period based on the passage of time by allocating premium receipts including premium experience adjustments to each period of service.

Insurance service expense

Insurance service expense arising from group insurance contracts issued comprises of:

- changes in the LIC related to claims and expenses incurred in the period excluding repayment of investment components.
- changes in the LIC related to claims and expenses incurred in prior periods (related to past service).
- other directly attributable expenses incurred in the period.
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expense and insurance contract revenue.
- loss component of onerous groups of contracts initially recognised in the period.
- changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

Income or expenses from reinsurance contacts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- amount recovered from reinsurers; and
- an allocation of the reinsurance premiums paid, provided that together they equal total income or expenses from reinsurance contracts held.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

Notes to the financial statements

For the year ended 31st December 2024

iv. Presentation (continued)

Insurance finance income and expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The use of OCI presentation for insurance finance income and expense

The Company has an accounting policy choice to either present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). In considering the choice of presentation of insurance finance income or expenses, the Company considers the assets held for that portfolio and how they are accounted for. The accounting policy choice to disaggregate insurance finance income or expenses so that part is recognised in profit or loss and part in OCI is applied on a portfolio-by-portfolio basis.

The Company has elected to split its insurance finance income or expenses between profit or loss and other comprehensive income (OCI).

v. Contracts existing at transition date

The Company has adopted IFRS 17 retrospectively, applying the full retrospective approach to all insurance contracts, which were issued subsequent to 1 January 2022.

vi. Insurance finance result – income or expenses from assets backing insurance contracts.

The Company has voluntarily presented an insurance finance result sub-total in the statement of comprehensive income. The sub-total is present in both the profit or loss and other comprehensive income. The accounting policies below are for the recognition and measurement of income or expenses from the assets backing insurance contracts as well as the same assets when they do not back insurance contracts.

vii. Interest revenue from financial instruments not measured at FVTPL.

Interest revenue for all financial instruments except for those measured or designated as at FVTPL are recognised as 'Interest revenue from financial instruments not measured at FVTPL' in the profit or loss account using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period, see 'Net income from other financial instruments at FVTPL'.

viii. Net income from other financial instruments at FVTPL

Net income from other financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL. The Company has elected to present the full fair value movement of assets and liabilities at FVTPL in this line, including the related interest income, expense and dividends.

Dividend income is recognised when the right to receive payment is established. The presentation of dividend income in the consolidated statement of profit or loss depends on the classification and measurement of the equity investment, i.e.:

- for equity instruments mandatorily measured at FVTPL dividend income is presented as net income from other instruments at FVTPL; and
- for equity instruments designated at FVTOCI dividend income is presented in other income.

ix. Salvage and subrogation.

Some insurance contracts permit the Company to sell damaged property acquired in settling a claim known as salvage. The company assumes the right of ownership of the property after the related claim has been adjusted and settled to the mutual satisfaction of the company and the claimant.

Income from the salvaged property is recognised at the point of sale. This is at the point where the inflow of the economic benefit embodiment becomes probable and can be measured reliably.

Under subrogation, the company may have the right to pursue third parties for payment of some or all cost of certain claims payable if it is proved beyond reasonable doubt that the third party caused the accident. Income from subrogation is recognised when the third party agrees to the amount recoverable or when a judgement is given in favour of the company.

4.5 Revenue recognition

i. Insurance premium revenue

Premiums arising from insurance contracts are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as the unearned premium liability. Premiums are shown before the deduction of premium payable to reinsurers and commissions payable to intermediaries but exclude cancellations and refunds.

ii. Commission income.

Commission income consists primarily of reinsurance and profit commissions. Commission income is generally recognised on an accrual basis when the service has been provided.

iii. Interest income

Interest income for financial assets that are not classified as fair value through profit or loss is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Notes to the financial statements

For the year ended 31st December 2024

iv. Dividend income

Dividend income for Available-For-Sale Equities is recognised when the right to receive payment is established – this is the ex-dividend date for equity securities.

v. Rent income.

Rental income from Investment Properties is recognised on an accrual basis.

4.6 Insurance contract

The Company undertakes non-life insurance contracts. An insurance contract is a contract under which the Company accepts significant insurance risk from insured (policyholder) by agreeing to compensate the insured if an uncertain future event (the insured event) occurs. The insurance contracts are broadly categorised into casualty, property and personal accident.

Under casualty insurance contracts, the company protects the policyholders against claims for causing harm to third parties as a result of legitimate activities of the policyholders.

Under personal accident insurance contracts, the Company mainly compensates the policyholders for bodily injuries suffered by them or their family members or employees.

The major lines of businesses involved in the above categories are motor, fire, marine and aviation and other accidents.

i. Claims and loss adjustment recoveries

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation payable to claimants when the insured event occurs.

Claims incurred are expenses for the period which comprise; provision for claims reported during the period pending settlement; claims reported and settled within the period whether paid during the period or not; and a provision for claims incurred but not reported (IBNR).

ii. Outstanding claims liability

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the reporting date, but not settled at that date. Outstanding claims are computed on the basis of the best information available at the time the records for the period are closed and include a provision for IBNR claims. IBNR claims are computed using statistical tools based on outstanding claims as at the reporting date.

Claims paid represent all payments made during the year, whether arising from events during that year or prior years.

Notes to the financial statements

For the year ended 31st December 2024

iii. Liability adequacy test of insurance liabilities

An insurance liability is insurer's net contractual obligations under an insurance contract. At each reporting date, the Company performs a liability adequacy test on its insurance liabilities less related deferred acquisitions costs and intangible assets to ensure that the carrying value is adequate, using current estimates of future cash flows, taking into account the relevant investment returns. If that assessment shows that the carrying amount of the liability is inadequate, any deficiency is recognised as an expense to the statement of comprehensive income initially by writing off the intangible assets and subsequently by recognising an additional liability for claims provision or recognising a provision for unexpired risks.

At each reporting date, liability adequacy tests are performed to ensure the adequacy of all insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss.

iv. Receivables and payables related to insurance contracts.

Receivable and payables arising from insurance and reinsurance contracts are recognised when due and measured at amortised cost using the effective interest rate method. These include amounts due to and from agents, brokers, policyholders and reinsurers. The Company assesses at each reporting date, whether there is any objective evidence that insurance receivable is impaired. If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognises that impairment loss in the statement of comprehensive income. Receivable is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after its initial recognition (a loss event) and that loss event has an impact on the estimated future cash flows which can be estimated reliably.

v. Salvage and subrogation.

Some insurance contracts permit the Company to sell damaged property acquired in settling a claim known as salvage. The company assumes the right of ownership of the property after the related claim has been adjusted and settled to the mutual satisfaction of the company and the claimant.

Income from the salvaged property is recognized at the point of sale. This is at the point where the inflow of the economic benefit embodiment becomes probable and can be measured reliably.

Under subrogation, the company may have the right to pursue third parties for payment of some or all cost of certain claims payable if it is proved beyond reasonable doubt that the third party caused the accident. Income from subrogation is recognized when the third party agrees to the amount recoverable or when a judgement is given in favor of the company.

Notes to the financial statements

For the year ended 31st December 2024

4.7 Current taxation

The Company provides for income taxes at the current tax rates on its taxable profits. Current tax is the expected tax payable on the taxable income for the period using tax rates (and laws) that have been enacted or substantially enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

4.8 Deferred taxation

Deferred tax is the amount of income tax (tax asset or tax liability) recoverable or payable in future periods in respect of taxable temporary differences. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.9 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes the purchase prices of items of property, plant and equipment and directly attributable cost of acquisition.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

Increase in the carrying amount arising on revaluation of asset is credited directly to equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. On the other hand, a decrease in the carrying amount of an asset as a result of a revaluation is recognized in profit or loss. However, a decrease is debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Each year, the difference between depreciation based on the revaluation carrying amount of the asset and depreciation based on the asset's original cost, net of any related deferred income tax, is transferred from the revaluation surplus to retained earnings.

4.6 Property, Plant and Equipment (continued)

Land is not depreciated. Depreciation on other assets is computed using the straight-line method to allocate the depreciable amounts over the assets' useful lives, at the following annual rates:

- Motor Vehicle - 25%
- Furniture and equipment- 20%
- Computer Hardware - 25%
- Freehold building- 5%
- Computer Software 25%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognized in the statement of comprehensive income.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in profit or loss. When revalued assets are sold, the amount included in the revaluation surplus is transferred to income surplus.

4.7 Investment Properties

Investment Properties are properties owned or leased by the Company which are held for long-term rental income and for capital appreciation other than properties held for use in the production or supply of service or for administrative purposes, or for sale in the ordinary course of business.

Investment Property is measured initially at its cost including transaction costs. The initial cost of a property interest held under a lease and classified as an investment property is the lower of the fair value of the property and the present value of the minimum lease payments. After initial recognition, the Company measures its Investment Properties using the fair value model with which investment properties are measured at values that reflect market conditions at the end of the reporting year. Gains or losses arising from changes in the fair values of investment property are recognised in profit or loss for the year in which they arise.

Transfers from Investment Properties are made when the Company changes the use of the Investment Property. And transfers to Investment Properties are made when the Company ends owner-occupation or commences an operating lease to another party. When the Company transfers Investment Property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 is its fair value at the date of change in use. On the other hand, when the Company transfers previously occupied property to investment property it applies IAS 16 up to the date of change in use. The Company treats any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

4.7 Investment properties (continued)

Investment properties are derecognized and eliminated from the statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss (unless IAS 17 requires otherwise on a sale and leaseback) in the period of the retirement or disposal.

4.8 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognized in the statement of comprehensive income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.9 Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

i. Financial Assets

All financial assets are recognized and derecognized on a trade date and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss.

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI,
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is not contingent on consideration recognized by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt instruments at amortized cost or at FVTOCI

For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. When a debt instrument measured at FVTOCI is derecognized, the cumulative gain/loss previously recognized in OCI is reclassified from equity to profit or loss.

In the current and prior reporting period the Company has applied the fair value option and so has designated debt instruments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss.

Notes to the financial statements

For the year ended 31st December 2024

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Impairment

The Company recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- debt investment securities;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognized on equity investments.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate (EIR).

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company, or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depend on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources.

Significant increase in credit risk

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the revaluation reserve.

ii. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

❖ **Held for Trading**

A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

iii. Financial Liabilities and Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Notes to the financial statements

For the year ended 31st December 2024

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is any liability that is a:

a. contractual obligation to deliver cash or another financial asset; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, or
b. contract that will or may be settled in the Company's own equity instruments and is
   - a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or
   - a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. For all financial liabilities the amount presented on the statement of financial position represent all amounts payable including interest accruals.

4.10 Cash and Cash Equivalents

For the purposes of statement of cash flows cash and cash equivalents include cash, non-restricted balances with banks and other financial institutions, short-term highly liquid investments maturing in twelve months or less from the date of acquisition and bank overdrafts.

4.11 Dividends Distribution on Ordinary Shares

Dividends on ordinary shares distributed to the Company's shareholders are recognised in the statement of changes in equity in the year in which such dividends are approved by the shareholders.

Dividends for the year that are declared after the reporting date are dealt with in the subsequent events notes.

Interim dividends are recognised when paid.

Notes to the financial statements

For the year ended 31st December 2024

4.12 Translation of Foreign Currencies

The Company's functional currency is the Ghana Cedi. In preparing the statement of financial position of the Company, transactions in currencies other than Ghana Cedis are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in shareholders' equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the shareholders' equity.

4.13 Provision

Provisions for restructuring costs, legal claims and similar events are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

4.14 Financial guarantee

Financial guarantees are contracts that require the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument.

Financial guarantees are initially recognised at fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

4.14 Leases

4.14.1 The Company as lessee

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

Notes to the financial statements

For the year ended 31st December 2024

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The right-of-use assets are presented as a separate line in the statement of financial position.

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

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When The Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of The Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on The Company's net investment outstanding in respect of the leases.
When a contract includes both lease and non-lease components, The Company applies IFRS 15 to allocate the consideration under the contract to each component.

Notes to the financial statements

For the year ended 31st December 2024

4.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as non-current liabilities where the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4.16 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.17 Employee benefits

4.17.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

Obligation for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income when they are due.

4.17.2 Short-term benefits

Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

Notes to the financial statements

For the year ended 31st December 2024

Wages and salaries payable to employees are recognised as an expense in the statement of comprehensive income at gross. The Company's contribution to social security fund is also charged as an expense.

4.17.3 Termination Benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

4.18 Events after the reporting date

The Company adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the reporting date.

Where there are material events that are indicative of conditions that arose after the reporting date, the Company discloses, by way of note, the nature of the event and the estimate of its financial effect, or a statement that such an estimate cannot be made.

4.19 Stated Capital

Ordinary Shares are classified as equity when there is no obligation to transfer cash or other assets. All shares are issued at no par value.

4.20 Contingency Reserve

In accordance with the industry's legal and regulatory frameworks, a contingency reserve is established and maintained in respect of each class of business, to cover fluctuations in securities and variations in statistical estimates. The Company maintains contingency reserve which is not less than 3% of the total premiums or 20% of the net profits whichever is the greater and such amount shall accumulate until it reaches the minimum paid-up capital or 50% of the net premiums whichever is the greater.

4.21 Intangible assets

4.21.1 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring it to usable stage. These costs are amortised over their estimated useful lives. The current computer software acquired is amortised over five (5) years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

4.21.2 Deferred expenses

Refurbishment expenditure on rented offices to reflect the standard corporate image are capitalised and classified as Deferred Expenses.

The capitalised expenditure is then amortised over three (3) years.

5 Management of insurance and financial risks

The Company has exposure to the following risks from its underwriting activities and financial instruments:

i. Insurance Risk
ii. Financial Risks, namely: credit risk; liquidity risk; market risk; and operational risk.

This note presents information about the Company's exposure to each of the risks, the Company's objective, policies and processes for identifying, evaluating and mitigating such risks.

5.1 Insurance and Financial Risk Management Framework

The Board is ultimately responsible for the Company's risk management, and through its Committee on Risk has formally established an Enterprise Risk Management (ERM) framework with the aim of enabling management to effectively identify, evaluate and mitigate existing and emerging risks which can potentially prevent the company's ability to maximize stakeholders' value and achieve its business objectives. The framework establishes a culture of continuously strengthening the risk management processes by institutionalizing the elements of risk management into the flow of business processes which cascades into a dedicated Central Risk Management function.

i. Corporate strategic objectives to which management should align its risk management processes;
ii. The Company's risk appetite and risk tolerance limits;
iii. Executive Management Committee (EMC).
iv. Risk Management Department (RMD)
v. Internal Audit
vi. Technical Compliance
vii. Bond Monitoring

5.1 Insurance and Financial Risk Management Framework (continued)

The Company's risk management system is based on three lines of defence model to help ensure governance and control. This model consists of the following:

The first line of defence is the employees making day-to-day business decisions like underwriting, product development, reinsurance, sales and distribution, customer service, claims handling, finance and capital, investments, information technology, human resource, legal and procurement.

The second line of defence is the Risk Management Unit, which oversees the Company's efforts to apply appropriate risk identification and governance processes and provides tools and frameworks to manage decisions. The Risk Management Unit also coordinates very closely with the Technical Compliance Unit, and the Internal Audit to encourage better coordination across various silos to build an enterprise lens on risk management.

Notes to the financial statements

For the year ended 31st December 2024

The third line of defence is the Internal Audit Function, which is responsible for verifying the functionality of the enterprise risk management and internal controls framework operated by the first and second lines of defence.

The Board of Directors is responsible for setting the tone for risk management by:

i. Approving the business objective of the Company.
ii. Approving the ERM framework; and
iii. Giving directives to management on the basis of its decisions on risk management.

The Head of Risk reports to the Board of Directors through the Risk, Audit and Compliance Committee of the Board. The Risk Management Department is responsible for drawing up the ERM framework for the Boards approval. It also exercises oversight role on the risk management functions by ensuring that the Board's risk directives are adhered to.

The roles of the Risk Management Department include:

i. Draw up Enterprise Risk Management Framework
ii. Review effectiveness of the risk management process throughout the company,
iii. Reports directly to the Board Committee on Risk
iv. Facilitate communication within the operational units on common risk issues,
v. Conduct risk assessment workshops to deepen the awareness of the need to assess risk and more importantly to manage risks in the company.

The Internal Audit and Investigation Department also examines and expresses its opinion on the adequacy and compliance of risk control processes and makes recommendation for improvement.
The Company's risks are assessed and reported on both quantitative and qualitative bases for control and decision-making purposes.

5.2 Insurance Risk

Insurance risk arises from claims and underwriting profit experience being adversely different from those anticipated in the premiums rating and reinsurance program. The insurance risks under any insurance contract are the risk of the insured event occurring and the uncertainty of the amount of the resulting claim. Essentially, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefits payments may exceed the carrying amount of the insurance liabilities. This occurs when the frequency or severity of claims payments are greater than estimated. When accepting risks, the Company strictly follows its underwriting directive manual as well as the principle of professionalism and prudence.

To mitigate the uncertainty of timing and amount of claims liability, the Company identifies, assesses and manages certain potential risks such as mispricing, inadequate policy data, inadequate or ambiguous policy wordings, failure in claim settlement procedure, accumulation (insuring same event through various policyholders), inadequate reserving etc. To manage such risks effectively, adequate control mechanisms specifically designed to address each risk are spelt out in the company's Enterprise Risk Management programme.

Further mitigating measure taken by the Company is to hedge against its risk by entering reinsurance arrangements under facultative and treaty with reputable reinsurance companies. The reinsurance arrangements do not relieve the Company of its obligation to the policyholders. Hence if the reinsurer default on their obligations to the Company, this risk mitigation measure would be ineffective. As a result, the Company ensures that the financial conditions of reinsurers are reviewed annually, and placements are carefully made with companies who are financially sound, credible and experienced in the industry.

The Underwriting Units further ensure that the Company is not exposed to concentration risk. The Units do this by identifying the various clientele segments within the insurance industry and their unique risk levels and assigning acceptable maximum loss to each segment. Among other criteria, this guides the Company to identify risks that should be ceded to reinsurers, retained, or rejected entirely. The following table discloses the concentration of insurance liabilities by industry sector in which the policyholders operate and by the maximum insured loss limit (gross and net of reinsurance) that may arise from in-force insurance contracts if the loss event occurs.

5.2 Insurance and Financial Risk Management Framework (continued)

Management further ensures that the Company is not exposed to concentration risk. Management does this by identifying the various clientele segments within the insurance industry and their unique risk levels and assigning acceptable maximum loss to each segment. Among other criteria, this guides the Company to identify risks that should be ceded to reinsurers, retained or rejected entirely. The following table discloses the concentration of insurance liabilities by industry sector in which the policyholders operate and by the maximum insured loss limit (gross and net of reinsurance) that may arise from in-force insurance contracts if the loss event occurs.

Notes to the financial statements

For the year ended 31st December 2024

5.2.1 Maximum Insured Loss as at 31st December, 2024

Product			By Currency				Regional
	Ghana Cedi	US Dollar	GB Pound	Euro	Total	Accra	Others
	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000	Gh¢'000
Marine & aviation	671,055	5,122,316	3,268	4,079	**5,800,718**	4,574,910	1,225,808
Bonds	2,003,923	2,487,322	-	618,902	**5,110,147**	4,947,045	163,102
Engineering	1,726,785	26,141,502	-	1,985,060	**29,853,347**	29,311,567	541,780
Fire, theft and property	13,079,453	103,748,066	6,205	44,659	**116,878,383**	115,623,587	1,254,796
Motor	2,757,052	3,802,851	-	34,288	**6,594,191**	5,868,030	726,161
Accidents	11,325,320	16,610,036	451	81,011	**28,016,818**	25,772,382	2,244,436
Total	**31,563,588**	**157,912,093**	**9,924**	**2,767,999**	**192,253,604**	**186,097,521**	**6,156,083**

Notes to the financial statements

For the year ended 31st December 2024

5.2.2 Claims development table

The table below shows the development of claims settled over a period of 7 years on gross basis. The first column of each year shows the amount settled in the loss year and the subsequent column(s) show(s) the cumulative amount settled. The amounts are stated in Thousands of Ghana Cedis (Gh¢'000).

Loss year	Month of development						
	12 Months GH¢'000	24 Months GH¢'000	36 Months GH¢'000	48 Months GH¢'000	60 Month GH¢'000	72 Months GH¢'000	84 Months GH¢'000
2018	9,488	24,538	31,305	39,292	50,370	51,410	51,607
2019	8,107	22,687	28,856	35,105	36,849	38,384	
2020	6,449	23,398	34,912	109,759	110,946		
2021	13,727	38,758	77,374	79959			
2022	19,990	19,990	37,915				
2023	23348	71,043					
2024	35,155						

5.3 Financial risk

In its normal course of business, the Company uses primary and secondary financial instruments such as cash and cash equivalents, equity securities, corporate and government debt securities, and receivables. These instruments expose the Company to financial risks such as credit risk, liquidity risk, market risk, and operational risk.

5.4 Credit Risk

Credit risk is the risk of financial loss to the Company if policyholders, intermediaries and reinsurers or counterparties to insurance asset or financial instrument fail to meet their contractual obligations.

The Company assesses the credit risk profile of the above parties and counterparties and limit its exposures to certain corporate entities, individuals or a group of them. Such risks are regularly reviewed by the Risk Management Department (RMD) and limits on the level of credit risk reviewed and approved by the Board of Directors through its Committee on Risk Management.

A portfolio impairment provision is held to cover the inherent risk of losses, which although not identified, are known through experience to be present in any asset portfolio. The portfolio impairment provision is set with reference to the past experience and judgmental factors such as the economic environment and the trends in key portfolio indicators.

Notes to the financial statements

For the year ended 31st December 2024

5.4 Credit Risk (Continued)

The carrying amount of the Company's financial assets as stated in the statement of financial position best represents their respective maximum exposure to credit risk.

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Loans and Receivables	**69,452**	13,563
Debt Instruments	**76,763**	45,555
Equity Instruments	**588,866**	594,063
Insurance Contract Assets	**117,027**	123,178
Total	**852,108**	776,359

The Company holds Gh¢0.64 million of its debt instruments as cash-back collateral against an outstanding loan balance of Gh¢0.38 million with Omni Bank Ghana Limited as at December 2024. This represents 110% of the loan outstanding balance, which is due to be fully extinguished in January 2025.

In order to minimize credit risk, the risk management unit of the company regularly reviews the credit risk profile of counterparties and limit its exposures to certain corporate entities, individuals or a group of them. Such limits on the level of credit risk are also regularly reviewed and approved by the Board of Directors through its Committee on Risk.

5.5 Liquidity Risk

Liquidity risk is the possibility of the Company not being able to meet its financial obligations as and when they fall due. This could arise if it is difficult to convert other assets to cash, or when there is unexpected large claim obligation or when there is a serious timing mismatch between cash collection and disbursement or when there is a decline in cash inflow due to reduced premium production coupled with high commitment cost.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

It is the policy of the Company to always maintain adequate liquidity, and for all currencies so as to be in a position to meet all obligations (including claims payments) as and when they fall due. Again, the Company strictly follows the solvency regulatory framework drawn up by the National Insurance Commission (NIC) which has the objective of, among others, ensuring appropriate asset spread, good yield, and safety of the investments of insurance companies as well as ensuring appropriate asset liability matching.

Notes to the financial statements

For the year ended 31st December 2024

Maturity period analysis of Debts Securities held by the company is as follows:

	Dec-24 GH¢'000	Dec-23 GH¢'000
Maturing within 91 days	**71,392**	51,979
Maturing within 182 days	**8,021**	4,556
Maturing within 365 days	**5,499**	5,692
Maturing after 365 days	**16,111**	15,551
Impairment Provisions	**(24,260)**	(32,223)
Total	**76,763**	45,555

Computation of Impairment provision

Type of Investment	Counter Party Type	Face Value of Investment GH¢'000	Average Imp. Rate %	Value Impaired GH¢'000	Net Value GH¢'000
Investment under DDEP	Government of Ghana	16,144	29.13%	4,703	**11,441**
Treasury Bills	Government of Ghana	27,938	0.00%	-	**27,938**
Fixed Deposits	Banks & Other Fin. Inst.	56,941	34.35%	19,557	**37,384**
Totals		101,023		24,260	**76,763**

Dec-24	**Maturing in 91days GH¢'000**	**Maturing in 182days GH¢'000**	**Maturing in 365days GH¢'000**	**Maturing after 365days GH¢'000**	**Impair't prov. GH¢'000**	**Total GH¢'000**
Financial Assets:						
Cash and Bank balances	10,807	-	-	-	-	**10,807**
Loan and Receivables	69,452	-	-	-	-	**69,452**
Right of use Leased Assets	-	-	-	4,718	-	**4,718**
Debt Investment	71,392	8,021	5,499	16,111	(24,260)	**76,763**
Insurance contract asset	-	-	-	117,027	-	**117,027**
Total	151,651	8,021	5,499	137,851	(24,260)	**278,767**
Financial Liabilities:						
Insurance contract liabilities	-	-	-	258,177	-	**258,177**
Borrowing	377	-	-	-	-	**377**
Creditors and Accruals	42,291	-	-	-	-	**42,291**
Lease Liability	-	-	-	803	-	**803**
Total	42,668	-	-	258,980	-	**301,648**
Net Liquidity at December 31	108,983	8,021	5,499	(121,129)	(24,260)	(22,881)

Notes to the financial statements

For the year ended 31st December 2024

5.5 Liquidity Risk (Continued)

Dec-23	Maturing in 91days GH¢'000	Maturing in 182days GH¢'000	Maturing in 365days GH¢'000	Maturing after 365days GH¢'000	Impair't prov. GH¢'000	Total GH¢'000
Financial Assets:						
Cash and Bank balances	15,805	-	-	-	-	15,805
Loan and Receivables	13,563	-	-	-	-	13,563
Debt Investment	51,979	4,556	5,692	15,551	(32,223)	45,555
Insurance contract asset	-	-	-	123,178	-	123,178
Total	81,347	4,556	5,692	138,729	(32,223)	198,101
Financial Liabilities:						
Insurance contract liabilities	-	-	-	205,622	-	205,622
Borrowing	4,385	7,617	-	-	-	12,002
Creditors and Accruals	21,661	-	-	-	-	21,661
Lease Liability	-	-	-	1,423	-	1,423
Total	26,046	7,617	-	207,045	-	240,708
Net Liquidity at December 31	55,301	(3,061)	5,692	(68,316)	(32,223)	(42,607)

5.6 Market Risk

The Company recognizes market risk as the exposure created by potential changes in market prices and rates. The Company is exposed to market risk arising principally from client-driven financial transactions and investing activities.

Market risk is governed by the Company's Executive Management Committee (EMC), subject to the Board of directors' approval of policies, procedures and levels of risk appetite. The EMC provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Company.

The Executive Management Committee also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate.

5.7 Foreign exchange exposure

The Company's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from client driven transactions. Some of the company's transactions are denominated in US Dollars, Euros and Pound Sterling in addition to the Cedi. Though the company does not hedge foreign exchange exposure, it monitors constantly the assets and liabilities denominated in foreign currencies to address any mismatch as and when it occurs. Concentration of foreign currency denominated assets and liabilities are disclosed below.

Currency exposure at period-end in cedi-equivalents of the following major foreign currencies at 31st December 2024:

Dec-24	USD GH¢'000	GBP GH¢'000	EUR GH¢'000
Assets			
Cash & Bank balances	773	211	28
Equity Investment	583,120	-	-
Investment Properties	171,303	7,520	-
Total	**755,196**	**7,731**	**28**
Liabilities			
Borrowing	-	-	-

Dec-23	USD GH¢'000	GBP GH¢'000	EUR GH¢'000
Assets			
Cash & Bank balances	5,630	24	190
Equity Investment	590,923	-	-
Investment Properties	182,486	7,521	-
Total	779,039	7,545	190
Liabilities			
Borrowing	12,001	-	-
	12,001	-	-

Sensitivity analysis

The Company used 5% average rate of change in foreign exchange to demonstrate the effect of changes in foreign exchange rates on profit before tax and shareholders' fund. At the reporting date, the Company's sensitivity to a 5% increase and decrease in the value of the cedi against the United States Dollar (US$) is analyzed below:

	Dec-24	**Effect of 5% change**
	GH¢'000	**GH¢'000**
Profit/(Loss) before tax	**34,662**	**1,733**
Shareholders' fund	**642,932**	**32,147**

The Company's assets denominated in foreign currencies far outweigh its foreign currency denominated liabilities. So, it tends to gain on foreign exchange when exchange rates increase. From the above scenarios, if management takes no actions, increase in exchange rates by 5% would increase profit before tax for the year and shareholders' fund by Gh¢1.73 million and Gh¢32.15 million respectively, while a decrease in exchange rates by 5% would decrease profit before tax for the year and shareholders' fund by the same amounts.

5.8 Interest Rate Exposure

The Company's interest rate exposure arises from investments with fixed maturities such as corporate and government debt securities reported at fair value. Changes in interest rate will have an immediate effect on the Company's comprehensive income and the shareholders' fund. The Company's approach to managing interest rate risk is the maintenance of highly liquid short-term investment portfolio. The Company monitors the investment portfolio closely to redirect investments to investment vehicles with high returns.

5.9 Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Company seeks to ensure that key operational risks are identified and managed in a timely and effective manner. The ultimate responsibility of operational risk management rests with the Board of Directors. It is the Board's oversight responsibility to ensure that there is an effective and integrated Operational Risk Management framework with clearly defined roles and responsibilities. The Internal Audit Department constantly monitors the company's internal processes, people and systems to ascertain its effectiveness to address its operational needs such as the effectiveness of management in identification of operational risks, estimation of the significance of the risks, assessment of the likelihood of the occurrence of such risks, and actions taken to manage them.

5.10 Capital Management

The Company's objectives when managing capital which is broader concept than the equity on the statement of financial position are:

i. To comply with the capital and solvency requirements as set out in the Insurance Act 2021 (Act 1061);
ii. To provide adequate returns by pricing insurance and investment contracts in commensuration with risks assumed.
iii. To guarantee the company's ability to operate as a going concern and continually provide returns to shareholders and benefit to other stakeholders.

The new solvency framework of the National Insurance Commission (NIC) requires non-life insurance companies to hold a minimum level of paid-up capital of Gh¢50.0 million. It also requires non-life insurance companies to maintain solvency margin with which the company's assets must be at least 150% of its liability at all times.

The Directors monitor the company's capital adequacy and solvency margin regularly to ensure their continuous compliance. The Company uses stress scenarios modelled to conform with the regulatory format, but using higher margins and deeper asset discounts. "What-if" analysis, as well as "worst-case" scenario cases applied to stress-test the company's capital against its assumed risk on a quarterly basis. In addition to this, the Financial Condition Report (FCR), which is a regulatory requirement, is undertaken by independent professional actuaries on the audited financial statements, revealing the strength and weaknesses in the Company's capital position on an annual basis.

Notes to the financial statements

For the year ended 31st December 2024

The Company's paid-up capital at the end of the period was GH¢130,235,000 (December 2024 - GH¢130,235,000). The table below shows the summary of the solvency margin of the Company at the end of the year to December 31, 2024.

	Dec-24	Dec-23
Available Capital Resources (GH¢'000)	**280,019**	212,366
Solvency Capital Required (GH¢'000)	**45,812**	35,208
Capital Adequacy Ratio	**611%**	603%

5.11 Fair Value of Financial Instrument

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- **Level 1:** inputs that are quoted market prices (unadjusted) in active market for identical instruments.
- **Level 2:** inputs other than quoted prices included within level 1 that are observable either directly or indirectly. This category includes instruments valued using quoted market price in active market for similar instrument; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- **Level 3:** inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Valuation techniques include net present value and discounted cash flows models, comparison with similar instruments for which market observable prices exists and other valuation models. Assumptions and inputs used in valuation techniques risk free and benchmark interest rates, credit spreads estimating discount rate, bond and equity price volatilities and correlations.

The following table shows fair value measurements recognized in the statement of financial position or disclosed in the financial statements by class of asset or liability and categorized by level according to the significance of the inputs used in making the measurement.

Notes to the financial statements

For the year ended 31st December 2024

5.11 Fair Value of Financial Instrument (cont'd)

Dec 2024	**Level 1 GH¢'000**	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total GH¢'000**
Investment securities designated at FVTPL:				
– Debt securities	27,938			27,938
Investments at FVTOCI – (debt and equity instruments):				
– Debt securities			16,144	16,144
– Equity securities	3,154	-	583,762	586,916
Total Assets	**31,092**	**-**	**589,906**	**630,998**

Dec 2023	**Level 1 GH¢'000**	**Level 2 GH¢'000**	**Level 3 GH¢'000**	**Total GH¢'000**
Investment securities designated at FVTPL:				
– Debt securities	9,255			9,255
Investments at FVTOCI – (debt and equity instruments):				
– Debt securities			16,575	16,575
– Equity securities	-	-	590,923	590,923
Total Assets	**9,255**	-	**607,498**	**616,753**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

6 Operating segment

2024	Marine & aviation GH¢'000	Bond GH¢'000	Engineering GH¢'000	Fire, theft & property GH¢'000	Motor GH¢'000	Accidents GH¢'000	Total GH¢'000
Insurance revenue	6,011	18,581	33,555	167,019	157,390	51,331	433,887
Incurred claims and insurance contracts expenses	554	(44,348)	(6,086)	35,730	(77,694)	(15,152)	(106,996)
Insurance contract acquisition cashflows	(784)	(3,885)	(6,953)	(16,675)	(30,686)	(9,338)	(68,321)
Insurance service expenses	**(230)**	**(48,233)**	**(13,039)**	**19,055**	**(108,380)**	**(24,490)**	**(175,317)**
Insurance service result before reinsurance contracts held	**5,781**	**(29,652)**	**20,516**	**186,074**	**49,010**	**26,841**	**258,570**
Allocation of reinsurance premiums	(3,286)	(7,162)	(36,810)	(154,161)	(15,024)	(24,245)	(240,688)
Recoverable from reinsurers for incurred claims	(16)	46,938	(1,794)	(16,872)	4,127	459	32,842
Net expense/income from reinsurance contracts held	**(3,302)**	**39,776**	**(38,604)**	**(171,033)**	**(10,897)**	**(23,786)**	**(207,846)**
Insurance service result	**2,479**	**10,124**	**(18,088)**	**15,041**	**38,113**	**3,055**	**50,724**
Insurance finance expense	(137)	24	(565)	(12,158)	(2,049)	(801)	(15,686)
Reinsurance finance income	22	17	1655	5948	1240	210	9,092
Net insurance finance result	**(115)**	**41**	**1,090**	**(6,210)**	**(809)**	**(591)**	**(6,594)**
Net insurance result	**2,364**	**10,165**	**(16,998)**	**8,831**	**37,304**	**2,464**	**44,130**
Other operating expenses	(1,109)	(3,428)	(6,191)	(30,816)	(29,039)	(9,472)	(80,055)
Results after operating activities	**1,255**	**6,737**	**(23,189)**	**(21,985)**	**8,265**	**(7,008)**	**(35,925)**
Other income	-	-	-				51,874
Investment income	-	-	-				35,657
Exchange rate losses.	-	-	-				(2,322)
Impairment provision	-	-	-				7,963
Adjustment in expenses							(16,229)
Finance cost	-	-	-				(6,356)
Other insurance comprehensive income							
Insurance finance expense	-	-	-	-	-	-	-
Reinsurance finance income	-	-	-	-	-	-	-
Total insurance for the year	**1,255**	**6,737**	**(23,189)**	**(21,985)**	**8,265**	**(7,008)**	**34,662**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

2023	Marine & aviation GH¢'000	Bond GH¢'000	Engineering GH¢'000	Fire, theft & property GH¢'000	Motor GH¢'000	Accidents GH¢'000	Total GH¢'000
Insurance revenue	**6,030**	**17,069**	**69,475**	**152,687**	**122,436**	**43,350**	**411,047**
Incurred claims and insurance contracts expenses	95	533	(23,831)	(34,445)	(10,877)	(1,831)	**(70,356)**
Insurance contract acquisition cashflows	(488)	(3,953)	(5,887)	(12,458)	(19,278)	(6,847)	**(48,911)**
Insurance service expenses	**(393)**	**(3,420)**	**(29,718)**	**(46,903)**	**(30,155)**	**(8,678)**	**(119,267)**
Insurance service result before reinsurance contracts held	**5,637**	**13,649**	**39,757**	**105,784**	**92,281**	**34,672**	**291,780**
Allocation of reinsurance premiums	(4,322)	(4,879)	(41,935)	(103,302)	(8,819)	(18,061)	**(181,318)**
Recoverable from reinsurers for incurred claims	(321)	(442)	11,870	23,425	2,823	383	**37,738**
Net expense/income from reinsurance contracts held	**(4,643)**	**(5,321)**	**(30,065)**	**(79,877)**	**(5,996)**	**(17,678)**	**(143,580)**
Insurance service result	**994**	**8,328**	**9,692**	**25,907**	**86,285**	**16,994**	**148,200**
Insurance finance expense	(56)	(210)	(99)	(622)	(2,569)	(399)	**(3,955)**
Reinsurance finance income	38	39	248	29	74	-	**428**
Net insurance finance result	**(18)**	**(171)**	**149**	**(593)**	**(2,495)**	**(399)**	**(3,527)**
Net insurance result	**976**	**8,157**	**9,841**	**25,314**	**83,790**	**16,595**	**144,673**
Other operating expenses	(1,135)	(3,215)	(13,082)	(28,751)	(23,055)	(8,163)	**(77,401)**
Results after operating activities	**(159)**	**4,942**	**(3,241)**	**(3,437)**	**60,735**	**8,432**	**67,272**
Other income	-	-	-				**284**
Investment income	-	-	-				**19,606**
Exchange rate losses.	-	-	-				**(8,441)**
Impairment provision	-	-	-				**(21,317)**
Finance cost	-	-	-				**(6,339)**
Other insurance comprehensive income							
Insurance finance expense	(92)	(386)	(429)	1,879	(2,283)	(122)	**(1,433)**
Reinsurance finance income	112	198	(156)	(1,019)	(282)	49	**(1,098)**
	20	**(188)**	**(585)**	**860**	**(2,565)**	**(73)**	**(2,531)**
Total insurance for the year	**(139)**	**4,754**	**(3,826)**	**(2,577)**	**58,170**	**8,359**	**48,534**

Notes to the financial statements

For the year ended 31st December 2024

7 Insurance Revenue

The following tables present an analysis of the insurance revenue recognised in the period.

	2024	2023
	GH¢'000	GH¢'000
Marine & aviation	6,011	6,030
Bonds	18,581	17,069
Engineering	33,555	69,475
Fire, theft and property	167,019	152,687
Motor	157,390	122,436
Accidents	51,331	43,350
Total	433,887	411,047

8 Insurance service expenses

The tables below show an analysis of insurance service expenses recognized in the period.

Year-end December 2024

2024	Incurred claims and other incurred insurance service expenses GH¢'000	Changes that relate to past service - adjustment to the LIC GH¢'000	Losses on onerous contracts and reversal of the losses GH¢'000	Insurance acquisition cash flows GH¢'000	Total Insurance service expenses GH¢'000
Marine & aviation	321	(875)	-	784	**230**
Bonds	2,792	41,556	-	3,885	**48,233**
Engineering	10,645	(4,555)	(4)	6,953	**13,039**
Fire, theft and property	12,632	(48,362)	-	16,675	**(19,055)**
Motor	81,672	(3,978)	-	30,686	**108,380**
Accidents	15,082	70	-	9,338	**24,490**
Total	**123,144**	**(16,144)**	**(4)**	**68,321**	**175,317**

2023	Incurred claims and other incurred insurance service expenses GH¢'000	Changes that relate to past service - adjustment to the LIC GH¢'000	Lossess on onerous contracts and reversal of the losses GH¢'000	Insurance acquisition cash flows Amortisation GH¢'000	Total Insurance service expenses GH¢'000
Marine & aviation	527	(822)	-	415	120
Bonds	(75)	(1,588)	-	3,360	1,697
Engineering	4,504	70,145	(230)	5,003	79,422
Fire, theft and property	65,533	42,032	-	10,589	118,154
Motor	53,205	(19,240)	-	16,386	50,351
Accidents	7,036	(1,320)	-	5,819	11,535
	130,730	**89,207**	**(230)**	**41,572**	**261,279**
Other provisions	(149,351)	-	-	7,339	(142,012)
Total	**(18,621)**	**89,207**	**(230)**	**48,911**	**119,267**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

9 Income or expense from reinsurance contracts held.

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers are presented in the tables below:

Year-end December 2024

2024	**Amounts relating to the changes in the remaining coverage**					
	Amounts recoverable for incurred claims and other incurred insurance service expenses	Changes in amounts recoverable that relate to past service -adjustments to incurred claims	Movement in loss recovery component- adjustment to reinsurance CSM/ARC (PAA)	**Total amounts recovered from reinsurers**	**Allocation of reinsurance premiums**	**Net expenses from reinsurance contract held**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Marine & aviation	(232)	216	-	**(16)**	**(3,286)**	**(3,302)**
Bonds	51	46,887	-	**46,938**	**(7,162)**	**39,776**
Engineering	(18,360)	16,568	(2)	**(1,794)**	**(36,810)**	**(38,604)**
Fire, theft and property	(63,966)	47,094	-	**(16,872)**	**(154,161)**	**(171,033)**
Motor	(2,329)	6,456	-	**4,127**	**(15,024)**	**(10,897)**
Accidents	1,430	(971)	-	**459**	**(24,245)**	**(23,786)**
Total	**(83,406)**	**116,250**	**(2)**	**32,842**	**(240,688)**	**(207,846)**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

9. Income or expense from reinsurance contracts held (continued)

2023	Amounts relating to the changes in the remaining coverage					
	Amounts recoverable for incurred claims and other incurred insurance service expenses	Changes in amounts recoverable that relate to past service - adjustments to incurred claims	Movement in loss recovery component- adjustment to reinsurance CSM/ARC (PAA)	**Total amounts recovered from reinsurers**	**Allocation of reinsurance premiums**	**Net expenses from reinsurance contract held**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Marine & aviation	(2,252)	1,203	-	**(1,049)**	**(4,303)**	**(5,352)**
Bonds	(3,324)	1,881	-	**(1,443)**	**(4,857)**	**(6,300)**
Engineering	12,950	25,931	(132)	**38,749**	**(41,751)**	**(3,002)**
Fire, theft and property	83,467	(6,995)	-	**76,472**	**(102,848)**	**(26,376)**
Motor	14,134	(4,917)	-	**9,217**	**(8,781)**	**436**
Accidents	1,165	86	-	**1,251**	**(17,981)**	**(16,730)**
	106,140	**17,189**	**(132)**	**123,197**	**(180,521)**	**(57,324)**
Other provision	(85,459)	-	-	**(85,459)**	**(797)**	**(86,256)**
Total	**20,681**	**17,189**	**(132)**	**37,738**	**(181,318)**	**(143,580)**

Notes to the financial statements

For the year ended 31st December 2024

10 Net insurance finance income/(expense) from insurance contract issued recognised in P&L

2024	Finance income/(expenses) from insurance contract issued		Finance income/(expenses) from reinsurance contract held		Net finance income/(expenses)
	Interest accreted	Effect of changes in interest rates and other financial assumptions	Interest accreted	Effect of changes in interest rates and other financial assumptions	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Marine & aviation	(154)	17	22	-	(115)
Bonds	18	6	17	-	41
Engineering	(634)	69	1,815	(160)	1,090
Fire, theft and property	(15,035)	2,877	6,425	(477)	(6,210)
Motor	(2,857)	808	1,493	(253)	(809)
Accidents	(1,004)	203	210	-	(591)
Total	**(19,666)**	**3,980**	**9,982**	**(890)**	**(6,594)**

2023	Finance income/(expenses) from insurance contract issued		Finance income/(expenses) from reinsurance contract held		Net finance income/(expenses)
	Interest accreted	Effect of changes in interest rates and other financial assumptions	Interest accreted	Effect of changes in interest rates and other financial assumptions	
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Marine & aviation	(56)	-	38	-	(18)
Bonds	(235)	25	39	-	(171)
Engineering	(115)	15	252	(4)	148
Fire, theft and property	(853)	230	69	(40)	(594)
Motor	(3,098)	529	40	(4)	(2,533)
Accidents	(444)	45	38	-	(361)
Total	(4,801)	844	476	(48)	(3,529)

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

11 Net insurance finance income (expense) from insurance contract issued recognised in OCI

2024	Finance income and expense from insurance contracts issued within the scope of IFRS 17 GH¢'000	Finance income and expense from reinsurance contracts held GH¢'000	Total Other comprehensive income (net of tax) GH¢'000
Marine & aviation	-	-	-
Bonds	-	-	-
Engineering	-	-	-
Fire, theft and property	-	-	-
Motor	-	-	-
Accidents	-	-	-
Total	-	-	-

2023	Finance income and expense from contracts issued within the scope of IFRS 17 GH¢'000	Finance income and expense from reinsurance contracts held GH¢'000	Total Other comprehensive income (net of tax) GH¢'000
Marine & aviation	(92)	112	20
Bonds	(386)	198	(188)
Engineering	(429)	(156)	(585)
Fire, theft and property	1,879	(1,019)	860
Motor	(2,283)	(282)	(2,565)
Accidents	(122)	49	(73)
Total	(1,433)	(1,098)	(2,531)

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

12 Investment Income

	Dec-24 GH¢'000	Dec-23 GH¢'000
Interest on Short Term Investments	7,053	4,883
Dividends on Equities	28,605	14,723
	35,657	19,606

13 Other income

	Dec-24 GH¢'000	Dec-23 GH¢'000
Interest on Staff Loan	6	7
Reversal of unearned premium provision	48,075	
Profit on Disposal	2,372	15
Other Sundry Income	1,421	262
	51,874	284

14 Operating Expenses

These include:

	Dec-24 GH¢'000	Dec-23 GH¢'000
Auditors' Remuneration	280	170
Directors' Remuneration	299	258
Depreciation	4,942	1,504
Amortization	346	286
Donations	21	62

15 Other finance Cost

	Dec-24 GH¢'000	Dec-23 GH¢'000
Interest on borrowing	1,157	1,452
Lease Finance Cost	5,199	4,860
Interest on Bank overdraft	-	27
	6,356	6,339

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

16 Taxation

16.1 Income Tax expense

	Dec-24 GH¢'000	Dec-23 GH¢'000
Current tax	**3,077**	2,696
Tax Audit Liability from previous years	**7,350**	-
Deferred tax charge/(credit) (See note 30)	**996**	(2,615)
	11,423	81

16.2 Company Income Tax

Year of Assessment	**Balance at 1 Jan. GHS'000**	**Payments and credits GHS'000**	**Charged for the year GHS'000**	**Balance at 31 Dec. GHS'000**
Corporate Tax 2023	-	-	-	-
Tax Audit Liability for 2023	-	(3,210)	7,350	4,140
Corporate Tax 2024	-	(6,768)	4,073	(2,695)
Balance at 31 December	**-**	**(9,978)**	**11,423**	**1,445**

16.3 Reconciliation of Effective Tax

The tax charge based on the Company's profit before tax differs from the hypothetical amount that would arise using the statutory income tax rate. This is explained as follows:

	24-Dec GH¢'000	23-Dec GH¢'000
Profit/(Loss) before taxation	**34,662**	51,065
Tax at applicable tax rate at 25% (December 2023: 25%)	**8,666**	12,759
Tax impact on permanent non-deductible expenses	**11,939**	8,376
Tax liabilities from previous years audit	**7,350**	-
Other temporary differences	**(16,532)**	(21,053)
Income Tax Expense	**11,423**	81
Effective tax rate	**32.95%**	0.16%

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

17 Property, Plant & Equipment

Dec-24	Buildings GH¢'000	Motor Vehicles GH¢'000	Office Furn. & Equipment GH¢'000	Bungalow Furn. & Equipment GH¢'000	Computer Hardware GH¢'000	Library Books GH¢'000	Total GH¢'000
Cost/Revaluation:							
Balance at 01/01/24	235	8,323	6,675	292	3,327	1	18,853
Additions	-	1,800	14,558	-	985	-	17,343
Disposals/Reclassification	-	(364)	-	-	-	-	(364)
Balance at 31/12/24	**235**	**9,758**	**21,233**	**292**	**4,312**	**1**	**35,829**
Depreciation							
Balance at 01/01/24	226	7,157	5,969	292	2,714	1	16,359
Disposal	-	(364)	-	-	-	-	(364)
Charge for the year	9	1,219	3,195	-	518	-	4,941
Balance at 31/12/24	**235**	**8,012**	**9,164**	**292**	**3,232**	**1**	**20,936**
Carrying Amount At 31/12/24	-	**1,747**	**12,069**	-	**1,080**	-	**14,896**
Dec-23							
Cost/Revaluation:							
Balance at 01/01/23	235	8,287	6,364	292	2,809	1	17,988
Additions	-	36	311	-	518	-	865
Balance at 31/12/23	**235**	**8,323**	**6,675**	**292**	**3,327**	**1**	**18,853**
Depreciation							
Balance at 01/01/23	214	6,370	5,637	292	2,341	1	14,855
Charge for the year	12	787	332	-	373	-	1,504
Balance at 31/12/23	**226**	**7,157**	**5,969**	**292**	**2,714**	**1**	**16,359**
Carrying Amount At 31/12/23	**9**	**1,165**	**704**	-	**613**	-	**2,494**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

18 Leases

18.1 Right of use lease asset

	Dec-24 GH¢'000	Dec-23 GH¢'000
Cost:		
Balance at 1 January	19,555	19,400
Additions during the period	1,638	155
Balance at 31 December	21,193	19,155
Amortisation:		
Balance at 1 January	13,922	12,034
Charged for the period	2,553	1,888
Balance at 31 December	16,475	13,922
Net Book Value	4,718	5,633

18.2 Lease Liability

	Dec-24 GH¢'000	Dec-23 GH¢'000
Balance at 1 January	1,423	3,279
Lease Finance Cost	5,199	4,860
Payments made during the period	(5,819)	(6,716)
Balance at 31 December	803	1,423

19 intangible assets

	Computer software licenses GH¢'000	Deferred expense GH¢'000	Total GH¢'000
Cost:			
Balance at 1 January 2023	2,749	292	3,041
Additions	103	-	103
Balance at 31 December 2023	2,852	292	3,144
Movements in 2023:			
Additions	302	-	302
Balance at 31 December 2024	3,154	292	3,446
Accumulated amortisation and impairment:			
Balance at 1 January 2023	2,182	292	2,474
Amortisation and impairment during the period	286	-	286
Balance at 31 December 2023	2,468	292	2,760
Movements in 2024:			
Amortisation and impairment during the period	346	-	346
Balance at 31 December 2024	2,814	292	3,106
Carrying amount at 31 December 2024	340	-	340
Carrying amount at 31 December 2023	384	-	384

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

20 Investment properties

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Balance at 1 January	190,007	188,735
Disposal	(11,300)	-
Acquisitions	116	1,272
Balance at 31 December	**178,823**	**190,007**

The book values of the properties are not significantly different from their fair values at the end of the year to December 2024. The values range between Gh¢180 million and Gh¢178 million. The Company will undertake a fair valuation in the coming year. Meanwhile, one of the properties with a book value of Gh¢11.3 million was disposed of at a net value of Gh¢13.7 million, posting profit on disposal of Gh¢0.4 million during the year.

Sensitivity analyses:
A quantitative sensitivity analysis of a ±5% change in the Fair Value of the properties is estimated at Gh¢8.94 million positively or negatively on the profit before tax for the year to December 31, 2022, and about Gh¢6.71 million positively or negatively on the value of equity as at 31 December 2024.

21 Equity and Debt Instruments

21.1 Equity Investments

	Listed Equity Securities	Unlisted Equity Securities	Total
	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2023	1,332	509,109	510,441
Changes in 2023:			
Revaluation		83,443	83,443
Revaluation	1,166	(987)	179
Balance at 31 December 2023	**2,498**	**591,565**	**594,063**
Changes in 2024:			
Acquisition			
Revaluation	655	-	655
Disposal	-	(7,803)	(7,803)
Gain on available for Equity investment	1951		1951
Balance at 31 December 2024	**5,104**	**583,762**	**588,866**
Balance at 31 December 2023	2,498	591,565	594,063

Unlisted Equity Investments:
172,886 shares of WAICA Reinsurance Plc valued at Gh¢7.8 million were sold during the year, realizing a total of Gh¢7.45 million, resulting in a loss of Gh¢0.35 million. The Company's shareholding interest in other companies not listed on the Stock Exchange as at the end of the year 2024 stood as follows:

- Waica Reinsurance Corporation - 12,899,854 shares (December 2023 was 13,072,740)
- Accra Breweries Ltd - 184,980 shares
- CFAO Motors - 500 shares

The shares of WAICA Reinsurance Reinsurance Plc. and the other unlisted companies have not been valued because the carrying amount was not significant different from its fair value as at the end of the year 2024.

Notes to the financial statements

For the year ended 31st December 2024

Listed Equity Investments:

The value of equities listed on the Ghana Stock Exchange recorded an average gain of Gh¢0.67 million during the year 2024. This represents about 26% of the value as at the beginning of the year. Details of the Company's shareholdings in other companies listed on the Ghana Stock Exchange (GSE) as at December 2024 are as follows:

GCB Bank Ltd	-	48,566 shares
Societe Generale (Ghana) Ltd	-	144,863 shares
The Trust Bank (Gambia)	-	193,493 shares
HFC Bank	-	18,420 shares
Standard Chartered Bank (Ghana)	-	7,000 shares
Guinness Ghana Breweries Ltd	-	45,814 shares
Unilever Ghana Ltd	-	13,400 shares
Mechanical Llyod Company Ltd	-	75,145 shares
Produce Buying Company Ltd	-	18,550 shares
Aluworks	-	22,000 shares
Cocoa Processing Company Ltd	-	13,042 shares
Pioneer Kitchen Ltd	-	12,600 shares
Clydestone Ltd	-	141,821 shares
Benso Oil Palm Plantation	-	70,181 shares

Sensitivity Analysis:

The Company is exposed to equity securities price risk because of investments in quoted and unquoted shares classified as Available-for-Sale. An average market prices change of 5% will impact the statement of financial position to the tune of Gh¢29,717,173.

21.2 Equity Investment Reserve

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Balance at 1 January	**335,770**	334,356
Revaluation of Equity Investments	**2,606**	1,414
Balance at 31 December	**338,376**	335,770

21.3 Debt Instrument

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Debt Instruments Held at FVOCI	**16,144**	16,575
Debt Instruments held at Amortized Cost	**57,105**	51,947
Debt Instruments held at FVTPL	**27,774**	9,255
Impairment Provision	**(24,260)**	(32,223)
Balance at December 31	**76,763**	45,555

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

21.4 Debt Instrument Held at FVOCI

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Opening Balance 01 Jan	**32,223**	10,906
Impairment Provision on Debt Instruments	**(7,963)**	21,317
Balance at December 31	**24,260**	32,223

"Fixed interest rate financial instruments carried at fair value expose the company to fair value interest rate risk. Variable interest rate financial instruments expose the company to cash flow interest rate risk.

Investment contracts with fixed and guaranteed terms, government securities and deposits with financial institutions held to maturity are accounted for at amortised cost and their carrying amounts are not sensitive to changes in the level of interest rates.

21.5 Significant inputs into the valuation of GoG Bonds and Other Debt Securities

The significant unobservable inputs used in the fair value measurements are per below:

- Weighted Average Discount Rate of 18.71% was used to discount all projected cash flow.
- Present Values of Coupons were computed on semi-annual basis.

22 Loans and Receivables

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Staff Debtors	**217**	273
Agency Loan	**155**	159
Current Account with EIB Network	**572**	-
Prepayments & Deposits (included the advance payment of reinsurance premium)	**67,483**	11,174
Sundry Debtors	**332**	1,547
Current Account with Life	**358**	341
National Reconstruction Levy	**2**	2
Accountable Imprest	**331**	67
Staff Welfare Contributions	**2**	-
Balance at December 31	**69,452**	**13,563**

a. The maximum amount owed by staff to the Company did not at any time during the year exceed Gh¢217,065 (December 2023 - Gh¢272,677).

b. Prepayments represent the unexpired portion of certain expenditure spread on time basis.

Notes to the financial statements

For the year ended 31st December 2024

23 Cash and Bank balances.

	Dec-24 GH¢'000	Dec-23 GH¢'000
Cash on Hand	4,008	338
Cash at Bank	6,799	7,629
	10,807	7,967

24 Stated Capital

	Dec-24 No. of shares (million)	Dec-23 No. of shares (million)
Authorised Ordinary Shares of no par value.	100,000	100,000
Issued Ordinary Shares of no par value fully paid for	6,295,000	6,295,000

	Number of shares ('000)	Value GH¢'000	Number of shares ('000)	Value GH¢'000
Balance at 1 January	6,295,000	130,235	6,295,000	130,235
Issued of shares	-	-	-	-
Balance at 31 December	6,295,000	130,235	6,295,000	130,235
Other disclosures required by the Companies Code.				
Issue for Cash	4,800,242	111,983	4,800,242	111,983
Issue Other than Cash Consideration	569,203	6,950	569,203	6,950
Transfer from Income Surplus	925,555	11,302	925,555	11,302
Balance at 31 December	6,295,000	130,235	6,295,000	130,235

There is no unpaid liability on any share and there are no shares in treasury.

25 Contingency Reserve

This represents amount set aside as undistributable reserve fund from Income Surplus annually in accordance with the Insurance Act, 2021 (Act 1061). Amount set aside as undistributable reserve represents amount not less than 3% of the total insurance revenue or 20% of the net profits whichever is the greater, and such amount shall accumulate until it reaches the minimum paid-up capital or 50% of the net premiums whichever is the greater. Movement during the year is set out in Statement of Changes in Equity.

26 Income Surplus

This represents accumulated residual profit available for distribution to the shareholders. Movement during the year is set out in the Statement of Changes in Equity.

Notes to the financial statements

For the year ended 31st December 2024

27 Creditors and Accruals

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Withholding Tax	2,528	1,832
Current Account with Star Assurance Group	-	131
Accruals	365	870
Insurance Premium Deposits	26,354	-
Sundry Creditors	13,041	18,828
Balance at 31 December	42,291	21,661

28 Loan Facilities

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Loan from Omni Bank Ghana Limited	377	4,385
Loan from Waica Re Capital	-	7,617
Balance at 31 December	377	12,002

29 Growth and Sustainability Levy

Year of Assessment	Balance at 1 Jan. '24	Payments during the year	Charge for the year	Balance at 31 Dec. '24
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
2023	-	-	-	-
2024	-	(592)	1,733	1,141
Total	-	(952)	1,733	1,141

This is a levy of 5% of accounting profit before tax for the year. This used to be called the National Fiscal Stabilization Levy but was renamed through Act (2023) 1095 to expand the scope to cover entities in other sectors.

Notes to the financial statements

For the year ended 31st December 2024

30 Deferred Tax

The movement on the deferred tax account is as follows:

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Balance at 1 January	**113,530**	116,392
recognized in the income statement	**996**	(2,615)
Recognized in equity	**(1,951)**	(247)
Balance at 31 December	**112,575**	113,530

31 Portfolio of insurance and reinsurance contracts assets and liabilities

The table below sets out the carrying amounts of portfolios of insurance and reinsurance contract assets and liabilities at the end of reporting date, per class of business:

Dec-2024	**Reinsurance contracts assets**	**Insurance contracts liabilities**
	GH¢'000	**GH¢'000**
Marine & aviation	**375**	**1,161**
Bonds	**7,093**	**16,272**
Engineering	**13,900**	**25,418**
Fire, theft and property	**66,833**	**66,329**
Motor	**16,955**	**115,801**
Accidents	**11,871**	**33,196**
Total	**117,027**	**258,177**
Dec-2023		
Marine & aviation	1,211	2,963
Bonds	4,811	10,446
Engineering	27,518	14,865
Fire, theft and property	72,091	83,650
Motor	10,716	74,754
Accidents	6,831	18,984
Total	123,178	205,662

Notes to the financial statements

For the year ended 31st December 2024

32 Insurance contract liabilities

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for insurance contracts.

Reconciliation of the liability for remaining coverage and the liability for incurred claims

2024	Liability for remaining coverage			
	Excluding loss component GH¢'000	Loss component GH¢'000	Liability for incurred claims GH¢'000	Total GH¢'000
Opening Insurance Contract Liabilities	112,243	7	93,411	205,662
Opening Insurance Contract Assets	-	-	-	-
Insurance contract (asset)/liabilities opening balance	**112,243**	**7**	**93,411**	**205,662**
Insurance revenue	**(433,887)**	-	-	**(433,887)**
Incurred claims and other directly attributable expenses	-	(7)	123,144	123,137
Changes to liabilities for incurred claims	-	-	(16,144)	(16,144)
Losses on onerous contracts and reversal of those losses	-	4	-	4
Amortizations of insurance acquisition cash flows	68,321	-	-	68,321
Insurance service expenses	**68,321**	**(4)**	**107,000**	**175,317**
Investment components	-	-	-	-
Net income or expense from insurance contracts held	**(365,566)**	**(4)**	**107,000**	**(258,570)**
Insurance finance expenses	-	-	-	-
Foreign Currency Movements	-	-	15,686	15,686
Total changes in the statement of comprehensive income	**(365,566)**	**(4)**	**122,686**	**(242,884)**
Premiums received	501,671	-	-	501,671
Claims and other expenses paid	-	-	(116,248)	(116,248)
Insurance acquisition cash flows	(90,025)	-	-	(90,025)
Total cash flows	**411,647**	-	**(116,248)**	**295,399**
Other movements	-	-	-	-
Net insurance contract (asset)/liabilities closing balance	**158,324**	**4**	**99,849**	**258,176**
Closing Insurance Contract Liabilities	158,324	4	99,849	258,176
Closing Insurance Contract Assets	-	-	-	-
Net insurance contract (asset)/liabilities closing balance	**158,324**	**4**	**99,849**	**258,176**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

33. Insurance contract liabilities (Continued)

2023	Liability for remaining coverage: Excluding loss component GH¢'000	Liability for remaining coverage: Loss component GH¢'000	Liability for incurred claims: Estimates of present value of future cash flows GH¢'000	Liability for incurred claims: Risk adjustment for non-financial risk GH¢'000	Total GH¢'000
Opening liabilities	90,857	237	49,040	3,676	143,810
Changes in the statement of profit and OCI	-	-	-	-	-
Insurance revenue	-	-	-	-	-
Contract under the full retrospective approach	(411,047)	-	-	-	(411,047)
	(411,047)	-	-	-	**(411,047)**
Incurred claims and other directly attributable expenses	-	-	130,729	-	130,729
Changes to liabilities for incurred claims	-	-	87,483	1,724	89,207
Losses on onerous contracts and reversal of those losses	-	(230)		-	(230)
Amortisation of insurance acquisition cash flows	41,572	-	-	-	41,572
Insurance service expenses	**41,572**	**(230)**	**218,212**	**1,724**	**261,278**
Insurance service result	**(369,475)**	**(230)**	**218,212**	**1,724**	**(149,769)**
Insurance finance expenses from insurance contracts recognised in profit or loss	-	-	3,955	-	3,955
Insurance finance expenses from insurance contracts recognised in OCI	-	-	515	919	1,434
Total changes in the statement of profit or loss and OCI	**(369,475)**	**(230)**	**222,682**	**2,643**	**(144,380)**
Premiums received	425,303	-		-	425,303
Claims and other expenses paid	(34,443)	-		-	(34,443)
Insurance acquisition cash flows	-	-	(184,630)	-	(184,630)
Total cash flows	**390,860**	-	**(184,630)**	-	**206,230**
Net closing balance	**112,242**	**7**	**87,092**	**6,319**	**205,660**
Closing liabilities	112,242	7	87,092	6,319	205,660
Closing assets	-	-	-	-	-
Net closing balance	**112,242**	**7**	**87,092**	**6,319**	**205,660**

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

33 Reinsurance contracts assets

The following table shows the reconciliation from the opening to the closing balances of the net asset for the remaining coverage and the asset for incurred claims recoverable from reinsurance.

Reconciliation of the liability for remaining coverage and the liability for incurred claims (reinsurance)

2024	**Asset for remaining coverage** Excluding loss recovery component	Loss recovery component	**Asset for incurred claims**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**
Opening Reinsurance Contract Liabilities	(17)	-	-	(17)
Opening Reinsurance Contract Assets	64,598	4	58,593	123,195
Reinsurance contract assets / (liabilities) opening balance	64,581	4	58,593	123,178
Allocation of reinsurance premiums	(240,688)	-	-	(240,688)
Amounts recoverable for incurred claims and other expenses	-	(1)	149,096	149,094
Changes to amounts recoverable for incurred claims	-	-	(116,251)	(116,251)
Loss-recovery on onerous underlying contracts and adjustments	-	(1)	-	(1)
Amounts recoverable from reinsurers for incurred claims	-	(2)	32,844	32,842
Reinsurance investment components	-	-	-	-
Net income or expense from reinsurance contracts held	(240,688)	(2)	32,844	(207,846)
Reinsurance finance income	-	-	9,091	9,091
Foreign Currency Movements	-	-	-	-
Total changes in the statement of comprehensive income	(240,688)	(2)	41,936	(198,755)
Premiums paid	306,027	-	-	306,027
Amounts received	(42,031)	-	(71,393)	(113,424)
Total cash flows	263,996	-	(71,393)	192,603
Other movements	-	-	-	-
Net reinsurance contract assets / (liabilities) closing balance	87,889	2	29,136	117,027
Closing Reinsurance Contract Liabilities	(31)	-	9	(22)
Closing Reinsurance Contract Assets	87,920	2	29,127	117,049
Net reinsurance contract assets / (liabilities) closing balance	87,889	2	29,136	117,027

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

34. Reinsurance contract assets Continued)

2023	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component GH¢'000	Loss recovery component GH¢'000	Estimates of present value of future cashflows GH¢'000	Risk adjustment for non-financial risk GH¢'000	Total GH¢'000
Opening assets	27,827	136	9,520	743	38,226
Changes in the statement of profit or loss and OCI	-	-	-	-	-
Net expenses from reinsurance contracts held	(180,521)	(132)	120,369	2,959	(57,325)
Finance income from reinsurance contracts recognized in profit and loss	-	-	429	-	429
Finance income from reinsurance contracts recognized in OCI	-	-	(1,284)	187	(1,097)
Total changes in the statement of comprehensive income	**(180,521)**	**(132)**	**119,514**	**3,146**	**(57,993)**
Premiums paid	252,853	-	-	-	252,853
Amounts received	(35,578)	-	(74,330)	-	(109,908)
Total cash flows	**217,275**	**-**	**(74,330)**	**-**	**142,945**
Net reinsurance contract assets / (liabilities) closing balance	**64,581**	**4**	**54,704**	**3,889**	**123,178**
Closing asset	64,598	4	54,704	3,889	123,195
Closing liabilities	(17)	-	-	-	(17)
Net reinsurance contract assets / (liabilities) closing balance	64,581	4	54,704	3,889	123,178

Notes to the financial statements

For the year ended 31st December 2024

34 Related Party Transactions

Star Assurance Group Ltd. incorporated in Ghana, owns 99.996% of the issued ordinary shares of the Company. Mr. Andrews Basoah holds the remaining 0.004%. StarLife Assurance Company Limited, Star Micro insurance Company Limited are the other subsidiaries of the Group.

Through the group structure, as well as common directorship, the Company considers the Star Assurance Group Ltd and its subsidiaries, as well as Telemedia Communications Ltd as related entities.

Below are the major transactions that took place between the related entities and Star Assurance, as well as the balances held on related parties account as at the close of the year to December 2024:

Related Party	Nature of Transaction	Dec-24 GH¢'000	Dec-23 GH¢'000
Balance due from:			
StarLife Assurance Company	Rent Prepayment	**86**	42
Star Assurance Employee	Staff Loans	**217**	233
		303	275
Balance due to:			
StarLife Assurance Company	Rent/ Facility Maint. Fees	**1,869**	790
Telemedia Communication Ltd	Advertising Expense	**252**	41
Star Assurance Group Ltd	Clearing Charges on Vehicle	**-**	131
		2,121	962
Payment to Related Parties:			
StarLife Assurance Company	Claims Payment	**225**	613
StarLife Assurance Company	Life Insurance premium	**237**	225
Telemedia Communication Ltd	Advertising services	**106**	374
		568	1,212
Receipts from Related Parties:			
StarLife Assurance Company Ltd	Insurance Premium	**2,646**	1,496
Star Micro Insurance Ltd	Insurance Premium	**25**	339
Telemedia Communication Ltd	Insurance Premium	**4**	-
		2,675	1,835
Compensation to key management personnel:			
Salaries and other short-term employment benefits		**8,277**	5,679
Employer's pension contributions		**780**	498
		9,057	6,177

Transactions with directors:

Directors' emoluments are disclosed in Note 14. Remuneration in the form of salaries is paid to executive directors and other executive management staff. Non-executive directors are paid fees.

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

35 Contingent Liabilities

There were no contingent liabilities as at the year ended December 31, 2024 (December 2023 - Nil)

36 Capital Commitments

There were no material capital commitments as at the year ended December 31, 2024 (December 2023 - Nil)

37 Events after Balance Sheet Date

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.

38 . Exchange rate loss

	Dec-24 GH¢'000	Dec-23 GH¢'000
Exchange loss	2,322	8,441
	2,322	8,441

39 Operating expenses

	Dec-24 GH¢'000	Dec-23 GH¢'000
Staff Cost		
Salaries and Allowances	15,847	24,940
Wages	495	406
Medical	1,761	2,196
Staff Uniform	630	609
Training/Seminar - Staff	3,481	3,088
	22,214	31,240
Promotional Expenses		
Marketing and Advertisement	9,390	5,739
Agents Training & Support Expenses	721	648
Donations	21	62
Business Promotions	2,398	1,784
	12,529	8,234

Star Assurance

Notes to the financial statements

For the year ended 31st December 2024

Administrative Expenses

	Dec-24	Dec-23
	GH¢'000	GH¢'000
Legal Fees & Expenses	702	881
Motor Vehicles Running	4,666	4,249
Motor Vehicles Repairs	905	845
Generator Expenses	731	626
Travelling & Transport-Local	1,203	941
Repairs - Others	480	583
Printing & Stationery	1,967	1,934
NIC Stickers & Fire Certificates	5,766	4,151
Bank Charges	1,337	809
Auditors' Remuneration and Charges	337	172
Professional Fees	3,019	1,403
Software Support Services	2,235	1,183
Board Meeting Expenses	55	43
Directors' Remuneration	299	258
Communication Expenses	1,146	1,618
Subs/Reg & Licensing	593	528
NIC Subscription	4,507	2,544
Client Rescue fund Levy of NIC	434	231
Office Expenses	571	295
Entertainment	841	603
Insurance	1,463	1,347
Cleaning and Sanitation	544	949
Security Services	916	920
Depreciation	4,942	1,504
Amortization Expenditure	346	286
Trekking Expenses	-	37
Rent & Rates	1,341	5,278
Lease Amortization	1,728	1,888
Electricity & Water	2,237	1,813
Adjustment on Liability for Remaining Coverage (LRC)	16,229	-
	61,540	37,919
Total	96,284	77,401