

General Business Profit and Loss Account

For the year ended 31 December, 2005

	Note	2005 GH¢	2004 GH¢
Gross premium	2	36,388,700	25,441,600
Less: Re-insurance	2	(8,898,100)	(6,935,800)
Net premium		27,490,600	18,505,800
Unearned premium	3	(4,602,900)	(1,792,600)
Premium earned		22,887,700	16,713,200
Claims incurred	4	(9,235,900)	(4,561,200)
Commissions(net)	5	(645,700)	(361,000)
Management expenses	6	(12,223,700)	(10,687,000)
Underwriting profit		782,400	1,104,000
Investment income	7	1,471,600	1,730,600
Other income	8	228,500	438,200
Profit before tax		2,482,500	3,272,800
Exceptional item-Restructuring cost	-	-	(518,400)
Taxation	9(c)	(32,900)	(773,200)
National reconstruction levy	9(b)	(186,200)	(275,400)
Profit after tax transferred to Income surplus account		2,263,400	1,705,800

General Business Balance Sheet

As at 31 December, 2005

	Note	2005 GH¢	2004 GH¢
Stated capital	10	2,500,000	2,500,000
Capital surplus	11	20,719,900	19,707,200
Income surplus		1,515,200	1,143,500
Contingency reserve	12	4,211,800	3,120,100
Shareholders funds		28,946,900	26,470,800
Represented by:			
Property, plant and equipment	13(a)	16,908,000	17,280,500
Investment properties	13(b)		-
Long term investment	14	15,643,100	15,233,700

Investment in subsidiary	15		
Investment in associated company	16		-
		32,551,100	32,514,200
Current assets			
Short term investments	17	8,002,900	7,694,500
Lease deposit	18	295,000	295,000
Trade & other receivables	19	8,823,300	12,287,500
Inventories		284,700	275,700
Cash and bank balances		3,085,900	2,361,300
Total current assets		20,491,800	22,914,000
Current liabilities			
Provision for unearned premium	3	14,391,500	9,788,600
Provision for claims		1,958,000	2,756,200
Trade & other payables	20	3,532,600	10,403,200
Taxation	9	473,200	1,047,300
Proposed dividend		800,000	400,000
Obligation under finance lease	21	158,400	105,000
Total current liabilities		21,313,700	24,500,300
Net current assets		(821,900)	(1,586,300)
Obligations under finance lease	21	(174,400)	(444,700)
Deferred tax	9(d)	(2,607,900)	(4,012,400)
Total non-current liabilities		(2,782,300)	(4,457,100)
Net assets		28,946,900	26,470,800

Consolidated cash flow statement

For the year ended 31 December, 2005

		2005	2004
Net cash flow from operating activities	Note	GH¢	GH¢
Operating profit/(loss)	22	224,200	(403,400)
Depreciation		1,605,700	1,116,100
Profit on disposal of property, plant & equipment		(44,200)	
(Increase) in provision for unearned premium		4,602,900	1,792,600
Increase in receivables		1,025,200	(4,862,600)
Increase in inventories		(9,000)	(63,200)
Increase in trade & other payables		(3,653,400)	3,653,200
Increase in provision of claims		(901,700)	244,400
Change in Life Fund		3,473,400	2,841,600
Increase in lease obligations			
Increase in lease deposits		(216,900)	62,200

Net cash flow before financing activities	6,106,200	4,380,900
Taxation		
Tax paid	(1,185,000)	(781,500)
Investing activities		
Acquisition of property, plant and equipment	(1,667,600)	(1,404,600)
Proceeds from sale of property, plant and equipment	76,400	
Net cash inflow/(outflow) from investing activities	(1,591,200)	(1,404,600)
Financing activities		
Purchase of long term investments	(1,359,900)	(2,493,800)
Investment in subsidiary	-	
Investment in associated company	-	-
Dividend received	386,400	251,400
Interest received	2,754,900	2,975,300
Dividend paid	(400,000)	(600,000)
Net cash flow from servicing of finance	1,381,400	132,900
Changes in cash and cash equivalent	4,711,400	2,327,700
Cash at 1 January	18,683,300	16,355,600
Cash at 31 December	23,394,700	18,683,300
Analysis of changes in cash and cash equivalent		
Cash and bank	3,085,900	2,361,300
Short term investments	8,002,900	7,694,500
	11,088,800	10,055,800

Notes to the consolidated financial statements

For the year ended 31 December, 2005

1. Basis of accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain landed properties and in accordance with Ghana National Accounting Standards.

Accounting policies

The following policies have been used consistently in dealing with items which are considered material in relation to the group's financial statements.

25%	per annum
10%	"
20%	"
2.5%	"
25%	"
33.33%	"