

SWAN FINANCIAL SOLUTIONS LTD

FINANCIAL STATEMENTS - YEAR ENDED

DECEMBER 31, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS	PAGES
Corporate Governance report	2 - 2(l)
Secretary's certificate	3
Auditors' report	4 - 4(b)
Statement of financial position	5
Statement of profit or loss and other comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 20

1. COMPLIANCE STATEMENT

Swan Financial Solutions Ltd (the 'Company') is a Public Interest Entity as defined by the Financial Reporting Act 2004.

2. GOVERNANCE STRUCTURE

Swan Financial Solutions Ltd is headed by a unitary Board. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company. The Board assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues. The Board is also the link between the Company, the Shareholders namely Swan Life Ltd, Rogers and Company Ltd including all the stakeholders.

The Company does not have a board charter as it considers that the legislation is sufficiently clear as to the respective roles, responsibilities and authorities of the Board of directors. The Company has a code of ethics which explains the Company's and group's policies on how we conduct business in Mauritius and beyond. Officers and members of the Board of Directors alike commit to understanding the code and abiding by principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our corporate values, Passion, People and Performance, serve as the foundation for the code. The code also contains provisions on whistle blowing and provides, inter alia, for anonymous reporting of unethical conducts.

The day to day operations are entrusted to management under the responsibility of the Group Chief Executive. Group Management have clearly defined job descriptions. Group Management report to the Group Chief Executive. Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. Currently the Company has no employees

The code of ethics, main clauses of the constitution, profile of directors will be published on the Company's website which is currently under construction

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES

Swan Financial Solutions Ltd is headed by a unitary Board which consists of two executive directors and a non-executive director. Members of the Board have a diverse set of skills, knowledge and come from different sphere of the business community. There is currently no female gender on the Board, as the Board was constituted before such requirement. Collectively, the Board is well structured and of sufficient size to discharge its duties. The Company believes that the composition of the Board is adequate for the Company's operations for the time being, having regard to the activities and size of the Company and it being part of a group where certain functions are established at group level.

The functions and responsibilities of the Group Chairperson and Group Chief Executive are separate.

The Board is composed of the following directors:

- Jean Michel Louis Rivalland (Executive)
- Nitish Beni Madhu (Executive)
- Ashley Coomar Ruhee (Non-Executive)

The Company believes that the composition of the Board is adequate for the Company's operations for the time being.

The Company Secretary plays a key role in the application of corporate governance. All directors have access to the advice and services of the Company Secretary, who provides guidance to the Directors on their statutory responsibilities, ethics and good governance. The Company Secretary discharged his duties as per the statutory requirements. Mr Jaiyansing Soobah acts as Company Secretary Mr Jaiyansing Soobah acts as Company Secretary and below is his profile:

JAIYANSING SOOBAH

Jaiyansing (Shailen) Soobah, born in 1974 and a resident of Mauritius, is a Fellow of the Association of Chartered Certified Accountants and holds a Master in Business Administration. He started his career with De Chazal Du Mée (now BDO) where he spent 10 years in the audit and offshore departments. In 2003, he moved to the Financial Services Commission in the insurance supervision department.

In 2009, he joined CIM Group, and was subsequently appointed as Senior Manager Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of Swan and CIM in June 2012. He is currently Senior Manager – Group Company Secretary and Group Risk Officer. He also holds directorship positions in the subsidiaries of Swan Group. He is the Non-Executive Chairman of the Stock Exchange of Mauritius Ltd and a Non-Executive Director of Central Depository & Settlement Co. Ltd.

Directors' Profiles

All the directors are resident of Mauritius and their profiles are as follows:

Louis RIVALLAND

Louis Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics, a Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and is a qualified Actuary from the Faculty and Institute of Actuaries. He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999 he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment function as well as enhancing the healthcare function. In August 1999, he joined Swan as Consultant to Group Chief Executive. He was involved in the review and setting up of processes and systems for the pensions, investments and life insurance operations and was responsible for the actuarial and consultancy work for the pension schemes. From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance, now Swan Life Ltd. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance, now Swan General Ltd and The Anglo-Mauritius Assurance, now Swan Life Ltd, and member of the Executive Management Committee of Swan. He has been the President of the Joint Economic Council, now Business Mauritius and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

List of other directorships:

Companies	Position
Aprica Investments Co Ltd	Director
Manufacturers' Distributing Station Limited	Director
New Mauritius Hotels Limited	Director
Proccure Companies Limitee	Director
Swan Corporate Affairs Ltd	Director
Swan Digital Ltd	Director
Swan Foundation	Director
Swan General Ltd	Director
Swan International Co Ltd	Director
Swan Life Ltd	Director
Swan Pensions Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Co Ltd	Director
Swan Wealth International Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Wealth Structured Product Ltd	Director

Nitish BENIMADHU

Born in 1979. Nitish Beni Madhu holds an honours degree in Economics and Masters of Arts in Economics from the University of Ottawa (Canada). He has more than 15 years' experience in the finance industry and has expertise in asset management, investment advisory and insurance. He is the chairperson of the Central Depository & Settlement Co Ltd (CDS) and also holds directorship positions on the Stock Exchange of Mauritius, MDA Properties, Constance Hotels Services Ltd, Moka City Ltd amongst others and regularly lecturers at the University of Mauritius in Economics & Finance. He joined Anglo Mauritius Investment Managers Ltd (now Swan Wealth Managers Ltd) in 2005 and now heads the non-insurance cluster of SWAN (Capital Markets) together with the Loans and Property segments of SWAN. Nitish is a member of the Investment Committee of SWAN and is equally involved with investment projects of the group in Africa.

List of other directorships:

Company Name	Position
Central Depository and Settlement Co Ltd	Chairperson
The Stock Exchange of Mauritius	Director
MDA Properties	Director
Constance Hotels Services Ltd	Director
Moka City Ltd	Director
Swan Digital Ltd	Director
Dolberg Rental (Pty) Ltd	Director
Swan Wealth Structured Products Ltd	Director
Swan Digital Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Wealth International	Director

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

Ashley Coomar RUHEE

Kabir gathers 20 years of experience in business leadership, technology transformation, management consulting and financial services. Prior to joining the Rogers Group in 2007, he occupied senior positions at Capgemini Telecom Media and Entertainment – Central & Southern Europe in Paris and DCDM Consulting, a company managed by Accenture in Mauritius.

He holds a first degree in Mathematics and Physics from the Faculté des Sciences de Luminy, Marseilles and a M.Eng in Automatic Control, Electronics and Computer Engineering with specialization in Real Time Computing and Systems from the Institut National des Sciences Appliquées, Toulouse. He also completed Executive Education Programs at the London Business School, INSEAD in Singapore and IMD in Lausanne.

Kabir is the Chief Executive Officer of Rogers Capital since 2017 and has been selected as one of the young African leaders of tomorrow by the Institut Choiseul in Paris. He is a member of the Young Presidents' Organisation (YPO) and is the Honorary Consul of the Republic of Lithuania in Mauritius.

List of other directorships:

Company Name	Position
Rogers Capital Corporate Services (Singapore) Pte Ltd	Director
Rogers and Company Limited	Director
Rogers Capital Captive Insurance Management Services Ltd	Chairman
Rogers Capital City Executives Ltd	Director
Rogers Capital Fund Services Ltd	Director
Rogers Capital Investment Advisors Ltd	Director
Rogers Capital Ltd	Director
Rogers Capital Nominee 1 Ltd	Director
Rogers Capital Nominee 2 Ltd	Director
Rogers Capital Nominee Ltd	Director
Rogers Capital Outsourcing Ltd	Director
Rogers Capital Specialist Services Ltd	Director
Rogers Capital Technology Services Ltd	Director
Rogers Capital Management Services Ltd	Director
Rogers Capital Payment Solutions Ltd	Director
Rogers Capital Finance Ltd	Director
Rogers Capital Corporate Services Limited	Director
Rogers Capital Corporate Services (Seychelles) Limited	Director
Cheribinny Limited	Director
AXA Africa Speciality Risks	Director
Amethis Africa Finance Ltd	Director

Board Committees**The Audit and Risks Committee**

The Audit & Risks Committee is established at Group level. The Committee consists of four non-executive directors three of whom are independent including the Chairperson.

The current members are:

- Mr. Arif Currimjee (independent)
- Mr. Henri Harel (non-executive)
- Mr. Peroomal Gopallen Moorooogen (Chairperson) (independent)
- Mr. Victor Seeyave (independent)

Mr Jaiyansing Soobah, acts as secretary of the Committee.

The Committee meets at least four times a year. The Group Chief Executive attends unless a conflict of interest is likely to arise. Members of the Committee have adequate financial awareness.

Members of the Senior Management, the External Auditors and the Internal Auditors regularly attend meetings of the Audit and Risks Committee.

The Committee may secure the attendance of external professional advisers at its meetings in order to perform its duties.

The primary function of the Audit & Risks Committee in relation to audit is to assist the Board of Directors in discharging its oversight responsibilities with respect to:

- a) the safeguarding of assets;
- b) the systems of internal controls regarding finance, accounting standards, legal compliance and ethical behaviour;
- c) the auditing, accounting and financial reporting processes generally;
- d) the financial statements and other financial information provided by the Group to its shareholders, the public and others;
- e) compliance with legal and regulatory requirements; and
- f) the performance of the Group's Internal Auditors and External Auditors.

In relation to risks, the Committee's responsibilities are, inter alia, to:

- a) review and assess the integrity of the risk control systems and ensuring that risk policies and strategies are effectively managed;
- b) set out the nature, role, responsibility and authority of the risk management function and outlining the scope of risk management work;
- c) keep abreast of external developments relating to the practice of corporate accountability;
- d) review and provide an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated.

The Committee is satisfied that it has discharged its responsibilities for the year in compliance with its terms of reference.

The Corporate Governance Committee

The Corporate Governance Committee is established at Group level.

The Committee consisted of four non-executive directors, three of whom are independent.

Mr. Arif Currimjee (*independent*)
Mr. Nicolas Maigrot (Chairperson) (*non-executive*)
Mr. Peroomal Gopallen Moorooogen (*independent*)
Mr. Victor Seeyave (*independent*)

The Group Chief Executive is in attendance.

Mr Jaiyansing Soobah acts as Secretary of the Committee.

The Corporate Governance Committee's terms of reference (which comprise areas covered by a Nomination and Remuneration Committee) include but are not limited to:

- a) determining agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;
- b) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;
- c) putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;
- d) making recommendations to the Board on all new Board appointments; and
- e) determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and shall set the appropriate procedures accordingly. The Committee is also authorised to obtain, at the Group's expense, such outside legal or other independent professional advice as it considers necessary to perform its duties.

During the year 2019, the Corporate Governance Committee took certain decisions through written resolutions.

Attendance at board and committee meetings

No Board meeting was held during the year 2019 and decisions were taken by way of written resolution.

Attendance at Group committee meetings was as follows:

	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	5	1
Members		
Arif Currimjee	5	1
Victor Seeyave	5	1
Gopallen Moorooogen	4	1
Henri Harel	5	n/a
Nicolas Maigrot	n/a	1
Jaiyansing Soobah	5*	1*

* In attendance (not a member)

4. DIRECTOR APPOINTMENT PROCEDURES

Appointment of new directors is subject to a pre-determined process. Potential candidates are identified by the Corporate Governance Committee. The selection is made based on, inter alia, skills, business acumen, industry knowledge, experience and independence (where relevant). The Corporate Governance Committee then makes recommendation to the Board of Directors and/or shareholders (as relevant). Director appointment is also subject to the approval of the Financial Services Commission, under section 24 of the Financial Services Act. The law provides that a director (Officer) must be a fit and proper person.

All new directors are provided with an induction pack, which covers, inter alia, background information on the Company and the group, vision, mission & values, the regulatory and compliance landscape, products and services, governance structure etc. The Group Chief Executive and Company Secretary are always available to provide any additional information that may be required by newly appointed directors. The Constitution of the Company does not provide for annual re-election of directors.

Directors are encouraged to keep themselves updated with industry practices, trends, practices and standards. As and when required or requested, the Company will organize workshops and arrange for training of directors.

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. A brief write-up of directors, Company Secretary and details of the nomination & appointment process will be published on the Company's website which is currently under construction

5. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

All directors are aware of their legal duties. Directors' duties emanate mainly from the Companies Act.

The Company has a Code of Ethics, which is applicable to employees and Directors. Monitoring day-to-day compliance with the code rests with senior management. Important issues, if any, are escalated to the Board. The code explains Swan's policies for how business is conducted in Mauritius and beyond. The principles of the code support full compliance with applicable laws. They also represent the practical ways that Swan put its values to work every day. Our corporate values, Passion, People & Performance, serve as the foundation for this Code. Our values guide our actions in conducting business in a socially responsible and ethical manner. Directors are expected to:

- a) act in good faith and in the best interest of the organisation;
- b) carry out their duties diligently, in an honest manner and with reasonable competence;
- c) observe the highest degree of confidentiality;
- d) avoid situations of conflict of interest, and where such situations arise, disclose same and adhere to all procedures for dealing with it;
- e) consistently attend board meetings and devote sufficient time to the organisation's business;
- f) deal with shares of the company in strict compliance of all relevant laws;
- g) abstain from taking improper advantage of their position for personal gain; and
- h) abide by all directors' obligations imposed by all laws.

In accordance with the Companies Act 2001, the Company Secretary maintains an interests register. As soon as a Director/Officer becomes aware that he is interested in a transaction, or that his holdings or that of his associates have changed, the interest should be reported to the Company Secretary in writing. The register of Directors' and Officers' Interests is updated with every transaction notified by the Directors/Officers and their associates. All new Directors/Officers are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's Constitution, a Director is not required to hold shares in the Company.

Information, information technology and information security governance

The Board is responsible for information governance. Executive management and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligations to keep all information confidential. Directors have unrestricted access to information. Where necessary in the discharge of their duties, all directors may seek independent professional advice at the Company's expense. The Company has adequate Directors & Officers insurance.

Day-to-day IT governance and security issues are delegated to Group management. IT expenses are monitored through the budgeting process. The Company has in place a number of IT policies, the purposes of which are to:

- a) To clarify the requirements, prohibitions, and procedures applicable to the use of the Company's computing and network resources;
- b) Provide guidelines to encourage responsible behaviour and good management practice;
- c) Ensure that IT facilities and services provided by the Company are used legally, securely, effectively and in a spirit of co-operation and trust.

The policies cover a range of aspects, including physical security, users access & passwords, computer viruses, installation & modifications of the IT systems, emails, internet, copyrights & license agreements, smart devices,

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

confidentiality and remote access. Given the sensitivity of these policies, the Company is still considering the appropriateness of having these policies on the website.

Board evaluation – It was agreed by the Corporate Governance committee that Board evaluation would be conducted every three years. The last Board evaluation conducted was for the year 2018.

The Board is responsible for the remuneration policy of the Group and duties are delegated to the Group Human Resource (HR) management team.

The Remuneration policy has the following aims:

- To support the delivery of the Group's strategy, whilst ensuring adherence to the SWAN's risk appetite;
- To ensure remuneration is competitive for our markets to enable SWAN attract and retain talent;
- To ensure that pay levels are internally consistent and externally competitive;
- To reward employees according to their market value, performance and contribution;
- To ensure that the remuneration package promotes a high performance culture and is affordable;
- To ensure fair outcomes for our human resources, shareholder and customers.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance. Executive and Non-executive directors receive a fixed director fee. The fees paid to the Directors of the Company are as follows:

Directors	Designation	Fixed portion
Louis Rivalland	Executive	Rs 10,000
Nitish Beni Madhu	Executive	Rs 10,000
Ashley Coomar Ruhee	Non-Executive	Rs 10,000

6. RISK GOVERNANCE AND INTERNAL CONTROL

The Board has ultimate responsibility for risk management and internal control and remains ultimately responsible for:

- a) Setting up a risk management framework
- b) Overseeing the implementation and subsequent monitoring
- c) Determining the risk culture
- d) Providing management with leadership and guidance
- e) Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority
- f) Defining the roles and responsibilities of management

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019

The Group Audit & Risks Committee is mandated by the Board to oversee all risk management and internal control issues. The task of implementing a robust system of risk management has been delegated to Group management. The Group Audit & Risks Committee is mandated by the Board to oversee all risk management and internal control issues. The task of implementing a robust system of risk management has been delegated to Group management.

A risk identification process was conducted as part of its parent company's process of risk management, and a risk register for the management of risks was established. The key risks are compliance risk, regulatory/legal risk and data loss risk.

The system of internal controls has been designed to safeguard assets of the Company from unauthorised use. The Company maintains proper records to ensure effective operation of its business and compliance with laws and regulations. Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Company's activities, including the operation of the internal control system. The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems. Directors derive assurance that the risk management processes are in place and effective through internal audits.

Key areas of effective internal controls are as follows:

- a) A clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, and Group management;
- b) The effectiveness of internal controls is assessed by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, statutory actuary, the external auditors and from the regulator;
- c) A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;
- d) There is an ongoing effort to review, reassess and document the process and procedures for each operating unit;
- e) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established to ensure compliance with all applicable laws, rules, regulations and codes;
- f) Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

Internal control covers all material functions of the company. Board, through the Group Audit & Risks Committee and management, is regularly apprised of the assessment of internal control. Deficiencies, if any, are promptly considered by Management and action plans devised to address all such deficiencies. Internal and external auditors have access to the Board.

7. REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the annual report and accounts that fairly present the state of affairs of the organisation and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards ('IAS') and the Companies Act. Likewise, the Board has the responsibility for selecting appropriate accounting policies based on reasonable and prudent judgements. The annual report comprises, inter alia, an overview/structure and history of the company and group and the financial statements.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholder and other key stakeholders to assess the Company's position, performance and outlook.

The Annual Report of the Company will be published on the Company's website.

8. AUDIT

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board. It derives its authority from the Board through the Audit and Risks Committee. Collectively, Audit Committee members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board, following recommendation from the Audit and Risks Committee. Internal audit of the Company is outsourced to Ernst & Young. This information shall be uploaded on the website which is currently under construction. The Internal Auditors are responsible for providing assurance to the Board, through the Audit & Risk Committee, regarding the implementation, operation and effectiveness of internal control and risks management.

A risk based 3-year road map is prepared for the group. The internal audit plan, which is approved by the Audit and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. The plan is reviewed yearly.

The Internal Auditors have a direct reporting line to the Group Audit & Risks Committee and maintain an open and constructive communication with executive management. They also have direct access to the Chairperson of the Committees and of the Board. This reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Board/Audit and Risks Committee. They have unrestricted access to the records, management and employees. They act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks are identified and managed. Internal audit reports are sent to the Audit & Risks Committee. No internal audit of the Company was carried out during the year.

External Audit

Our external auditors are BDO & Co. External auditors are appointed/re-appointed by shareholders. Auditors remuneration is fixed by the Board, following recommendation from the Audit & Risks Committee. External auditors have unrestricted access to the Audit & Risks Committee. The Company is satisfied with the external audit process. The Audit & Risks Committee has not met with external auditor without management presence. For the presentation and approval of audited Group yearly financial statements, external auditors meet with the Audit & Risks Committee. During the meeting, key audit matters and significant issues of the management letter are presented by the external auditors.

BDO & Co has been the auditor of the Company for more than 7 years. During the year 2019, the following fees were paid to BDO & Co and its affiliates:

For audit services	Rs 90,000
--------------------	-----------

9. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Company and the Board have always maintained an open line of communication with all stakeholders. Key stakeholders of the Company are clients, shareholders, employees, regulators & government authorities, the public and investors, among others.

The Company communicates through emails, social media, and its annual report. In addition, the Company's website through its News Section, provides meaningful information on the Company's products & services and financials.

The Company holds an annual meeting of its shareholders by way of written resolution of shareholder.

a. Dividend Policy

The Company does not follow a formal dividend policy. Dividends are declared after taking into account the Company's profitability and the solvency requirements of the Companies Act. The Company declares dividend in December based on best estimates of yearly results to 31 December.

b. Shareholders' Agreement

There were no shareholders' agreement which was executed for the period under review that has an effect on the governance of the Company.

c. Environmental Issues

The Company has an obligation to protect and preserve the environment. It respects the environment and the business of the Company ensures that there is little impact on the environment. The employees comply with all applicable laws and regulations. We adopt standards, procedures, contingency measures and management systems to ensure that our operations are managed safely, ecologically and in a sustainable way.

d. Health and Safety

The Company has in place well defined procedures and practices with regards to Health and Safety. Wellness programs for employees of the Company are organised regularly.

e. Social Issues

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee to adhere to the standards and restrictions imposed by those laws, rules and regulations.

The Company respects each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will it commit other violations of human rights.



Shailesh J. Soobah
for Swan Corporate Affairs Ltd
Company Secretary
Date: 21 July 2020

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2019

We, **Swan Corporate Affairs Ltd**, the Company Secretary of Swan Financial Solutions Ltd (the "Company"), hereby certify to the best of our knowledge and belief, that we have filed with the Registrar of Companies, for the year ended December 31, 2019, all such returns as are required of the Company under the Mauritius Companies Act 2001.



J. Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date: 21 July 2020

SWAN FINANCIAL SOLUTIONS LTD

4

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Swan Financial Solutions Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Swan Financial Solutions Ltd (the "Company") on pages 5 to 20 which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 5 to 20 give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for 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' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are 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 ISAs 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.

SWAN FINANCIAL SOLUTIONS LTD

4(a)

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Swan Financial Solutions Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 directors.
- Conclude on the appropriateness 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



SWAN FINANCIAL SOLUTIONS LTD

4(b)

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Swan Financial Solutions Ltd

Other Matter

This report is made solely to the shareholders of Swan Financial Solutions Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.


BDO & Co
Chartered Accountants



Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis
Mauritius

21 JUL 2020

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2019

	Notes	2019 Rs' 000	2018 Rs' 000
ASSETS			
Non-current assets			
Equipment	5	72	130
Intangible assets	6	16,612	22,360
Investments in subsidiary companies	7	531,501	531,501
		<u>548,185</u>	<u>553,991</u>
Current assets			
Other assets	8	95,011	11
Cash and cash equivalents		52,669	54,193
		<u>147,680</u>	<u>54,204</u>
Total assets		<u><u>695,865</u></u>	<u><u>608,195</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	9	586,876	586,876
Retained earnings		21,905	20,762
Total equity		<u>608,781</u>	<u>607,638</u>
Current liabilities			
Trade and other payables	10	584	557
Dividend payable	14	86,500	-
		<u>87,084</u>	<u>557</u>
Total equity and liabilities		<u><u>695,865</u></u>	<u><u>608,195</u></u>

21 JUL 2020

These financial statements have been approved for issue by the Board of Directors on



Director



Director

The notes on pages 9 to 20 form an integral part of these financial statements.
Auditor's report on pages 4 to 4(b).

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -
YEAR ENDED DECEMBER 31, 2019**

	<u>Notes</u>	<u>2019</u> Rs' 000	<u>2018</u> Rs' 000
Other income	11	95,000	90,000
Administrative expenses	12	<u>(7,357)</u>	<u>(7,701)</u>
Profit before taxation		87,643	82,299
Taxation	13	<u>-</u>	<u>-</u>
Profit for the year		<u>87,643</u>	<u>82,299</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>87,643</u>	<u>82,299</u>

The notes on pages 9 to 20 form an integral part of these financial statements.
Auditor's report on pages 4 to 4(b).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2019

	Note	Share Capital Rs' 000	Retained Earnings Rs' 000	Total Equity Rs' 000
Balance at January 1, 2019		586,876	20,762	607,638
Total comprehensive income for the year		-	87,643	87,643
Dividends	14	-	(86,500)	(86,500)
Balance at December 31, 2019		586,876	21,905	608,781
Balance at January 1, 2018		586,876	17,463	604,339
Total comprehensive income for the year		-	82,299	82,299
Dividends	14	-	(79,000)	(79,000)
Balance at December 31, 2018		586,876	20,762	607,638

The notes on pages 9 to 20 form an integral part of these financial statements.

Auditor's report on pages 4 to 4(b).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2019

	2019	2018
	Rs' 000	Rs' 000
Cash generated from operations		
Profit before taxation	87,643	82,299
Depreciation of equipment	94	82
Amortisation of intangible assets	5,748	5,831
Dividend income	(95,000)	(90,000)
Changes in working capital:		
- Other receivables	-	12
- Trade and other payables	27	425
Net cash used in operating activities	<u>(1,488)</u>	<u>(1,351)</u>
Cash flows from investing activities		
Purchase of equipment	(36)	(117)
Dividend received	-	94,500
Net cash (used in)/generated from investing activities	<u>(36)</u>	<u>94,383</u>
Cash flows from financing activity		
Dividend paid	-	(79,000)
Net cash used in financing activity	<u>-</u>	<u>(79,000)</u>
(Decrease)/increase in cash and cash equivalents	<u>(1,524)</u>	<u>14,032</u>
Movement in cash and cash equivalents		
At January 1,	54,193	40,161
(Decrease)/increase	<u>(1,524)</u>	<u>14,032</u>
At December 31,	<u><u>52,669</u></u>	<u><u>54,193</u></u>

The notes on pages 9 to 20 form an integral part of these financial statements.
Auditor's report on pages 4 to 4(b).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

Swan Financial Solutions Ltd is a private limited company, incorporated on February 29, 2012 and domiciled in Mauritius. The address of the registered office is 10, Swan Centre, Intendance Street, Port-Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of Swan Financial Solutions Limited comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of an individual entity. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs 000), except when otherwise indicated. The financial statements are prepared under historical cost convention, except that relevant financial assets and financial liabilities are stated at their fair value or carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The amendments have no impact on the Company's financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)*

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015–2017 Cycle

- IFRS 3 – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 – clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 – clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2020 or later periods, but which the Company has not early adopted.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)*

At the reporting date of these financial statements, the following were in issue but not yet effective:

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

IFRS 17 Insurance Contracts

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Investments in subsidiary companies

Investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

(c) Equipment

All equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of each asset, to its residual value over the estimated useful life of the asset concerned. The principal annual rates are:

Computer equipment	33.3%
Office equipment	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Intangible asset****(i) Customer portfolio**

Customer portfolio represents the value of the customer lists and is being amortised over a period of ten years.

(ii) Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

(e) Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Amortised cost

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise of other receivables and cash and cash equivalents in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Financial assets (cont'd)**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

(f) Financial liabilities

The Company classifies its financial liabilities as follows:

Other financial liabilities

Other financial liabilities include only trade and other payables, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(g) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current Tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(i) Revenue recognition

The company does not derive revenue that falls under the scope of IFRS 15 and hence will not be applying the standard.

Other revenues earned by the Company are recognised on the following bases:

- Dividend income - when the shareholder's right to receive payment is established.

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(k) Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activity does not currently expose it to financial risks namely market risk (including currency risk, fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk.

3.2 Fair value estimation

Except where otherwise stated, the carrying amounts of the Company's financial assets and liabilities approximate their fair value.

3.3 Capital risk management

The Company's objectives when managing capital are :

- to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Company's gearing ratio is insignificant.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of Company's assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

5. EQUIPMENT

	Computer Equipment Rs' 000	Office Equipment Rs' 000	Total Rs' 000
COST			
At January 1, 2018	125	13	138
Additions	117	-	117
At December 31, 2018	242	13	255
Additions	36	-	36
At December 31, 2019	278	13	291
DEPRECIATION			
At January 1, 2018	42	1	43
Charge for the year	80	2	82
At December 31, 2018	122	3	125
Charge for the year	93	1	94
At December 31, 2019	215	4	219
NET BOOK VALUES			
December 31, 2019	63	9	72
December 31, 2018	120	10	130

6. INTANGIBLE ASSETS

	Customer portfolio Rs' 000	Computer software Rs' 000	Total Rs' 000
COST			
At December 31, 2018 and 2019	55,375	1,466	56,841
IMPAIRMENT			
At January 1, 2018	27,688	962	28,650
Charge for the year	5,538	293	5,831
At December 31, 2018	33,226	1,255	34,481
Charge for the year	5,537	211	5,748
At December 31, 2019	38,763	1,466	40,229
NET BOOK VALUES			
December 31, 2019	16,612	-	16,612
December 31, 2018	22,149	211	22,360

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	2019	2018
	Rs' 000	Rs' 000
	531,501	531,501

At January 1, and December 31

(a) Details of the subsidiary companies are as follows:

	Class of shares	Year end	Nominal value of investment	Proportion of ownership interest (direct)	Country of operation	Country of incorporation	Main business
Swan Wealth Managers Ltd	Ordinary shares	December 31,	469,501	100%	Mauritius	Mauritius	Investment management
Swan Securities Ltd	Ordinary shares	December 31,	62,000	100%	Mauritius	Mauritius	Stockbroking

These separate financial statements contain information about Swan Financial Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IFRS 10, 'Consolidated Financial Statements,' from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its holding company, Swan Life Limited that comply with IFRS. A copy of the consolidated financial statements is available at the head office of Swan Life Limited found at 10, Swan Group Centre, Intendance Street, Port-Louis.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

8. OTHER ASSETS	2019	2018
	Rs' 000	Rs' 000
Dividend receivable	95,000	-
Prepayments	11	11
	<u>95,011</u>	<u>11</u>

9. SHARE CAPITAL	2019	2018
	Rs' 000	Rs' 000
At January 1, and December 31	<u>586,876</u>	<u>586,876</u>

The stated number of ordinary shares is 586,876,250 at no par value. All shares are fully paid.

10. TRADE AND OTHER PAYABLES	2019	2018
	Rs' 000	Rs' 000
Amount due to holding company	460	419
Other payables	124	138
	<u>584</u>	<u>557</u>

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

11. OTHER INCOME	2019	2018
	Rs' 000	Rs' 000
Dividend income	<u>95,000</u>	<u>90,000</u>

12. EXPENSES BY NATURE	2019	2018
	Rs' 000	Rs' 000
Audit and tax fees	389	108
Depreciation of equipment	94	82
Amortisation of intangible assets	5,748	5,831
Secretarial fees	480	480
Directors Fees	30	30
Others	616	1,170
	<u>7,357</u>	<u>7,701</u>

13. INCOME TAX	2019	2018
	Rs' 000	Rs' 000
Current tax liability at 15%	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2019

13. INCOME TAX (CONT'D)

The tax on the Company's result before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2019	2018
	Rs' 000	Rs' 000
Profit before tax	87,643	82,299
Tax calculated at the rate of 15%	13,146	12,385
Income not subject to tax	(14,250)	(13,501)
Expenses not deductible for tax purposes	1,104	1,116
	-	-

14. DIVIDEND

	2019	2018
	Rs' 000	Rs' 000
Final dividend for the year ended December 31 of Rs. 0.147 (2018: Rs.0.135) per share	86,500	79,000

15. RELATED PARTY TRANSACTIONS

	Purchase of Services	Dividend income	Amount owed to related parties	Amount owed by related parties
(a)	Rs' 000	Rs' 000	Rs' 000	Rs' 000
<u>2019</u>				
Holding Company	509	-	69,661	-
Enterprises in which individual shareholders with significant influence have significant/substantial interest	-	-	17,300	-
Subsidiaries	-	95,000	-	95,000
Fellow subsidiary	480	-	-	-
	-	-	-	-
<u>2018</u>				
Holding Company	1,068	-	419	-
Subsidiaries	-	90,000	-	-
Fellow subsidiary	480	-	-	-

(b) The above transactions have been made on commercial terms and in the normal course of business.

(c) The outstanding balances are unsecured, interest free and are not impaired.

16. HOLDING AND ULTIMATE HOLDING COMPANIES

The holding company of the Company is Swan Life Ltd, and ultimate holding company is Swan General Ltd. Both companies are incorporated in Mauritius.

17. EVENTS AFTER REPORTING DATE

The COVID-19 outbreak poses a serious public health threat worldwide. Like many other countries, it is expected that the economy in Mauritius will be adversely impacted by the slowing global activity. There is barely any visibility on how long the COVID-19 will last and what will be its full impact on society, businesses, and the economy. While we acknowledge this state of affairs, we believe that markets will recover as they have always done in the past.

The company also believes that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.