

SWAN GLOBAL FUNDS LTD

ANNUAL REPORT – YEAR ENDED

DECEMBER 31, 2019

ANNUAL REPORT - YEAR ENDED DECEMBER 31, 2019

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan Global Funds Ltd for the year ended December 31, 2019, contents of which are listed below:

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This report was approved by the Board of Directors on: ..29 September 2020



Director



Director

CORPORATE INFORMATION

Directors	Mr. Jaiyansing Soobah Mr. Veenaye Busgeeth (resigned on 13 March 2019) Mrs Karine Morel (appointed on 11 March 2019)
Company Secretary	Swan Corporate Affairs Ltd 6th Floor, Swan Centre 10 Intendance Street Port Louis, Mauritius
Fund Manager	Swan Wealth Managers Ltd 11th Floor, Swan Centre 10 Intendance Street Port Louis, Mauritius
Registered office	Swan Global Funds Ltd 11th Floor, Swan Centre 10 Intendance Street Port Louis, Mauritius
Banker	The Mauritius Commercial Bank Ltd 9-15 Sir William Newton Street Port Louis, Mauritius
Custodian	Mauritius Commercial Bank Ltd (From 1st October 2017) Securities Services BU 5th Floor Harbour Front Building 9-11 President John Kennedy Street Port Louis
Auditors	BDO & Co 10 Frère Félix de Valois Street Champ de Mars Port Louis, Mauritius

PRINCIPAL ACTIVITIES AND OTHER STATUTORY DISCLOSURES - DECEMBER 31, 2019

PRINCIPAL ACTIVITY

The principal activity of the Company consists of investing in foreign financial markets.

BOARD OF DIRECTORS

The directors of the Company holding office as at December 31, 2019 and at the date of this report were:

Mr. Jaiyansing Soobah
 Mr. Veenaye Busgeeth (resigned on 13 March 2019)
 Mrs Karine Morel (appointed on 11 March 2019)

DIRECTORS' SERVICE CONTRACTS

There were no service contracts between the Company and any of its Directors that need to be disclosed under Section 221 of the Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

The total remuneration and benefits received, due and receivable:

(i) by each Director of Swan Global Funds Ltd from the Company are as follows;

	<u>2019</u>	<u>2018</u>
	Rs.	Rs.
<u>Non-executive directors</u>		
Jaiyansing Soobah	30,000	30,000
Karine Morel	30,000	-
Veenaye Busgeeth	-	30,000
	<u>60,000</u>	<u>60,000</u>

DONATION

There was no donation made by the Company during the year (2018: Nil).

AUDITOR'S FEES

The fees payable to the auditors, BDO & Co. for audit and other services were as follows:

	<u>2019</u>	<u>2018</u>
	Rs.	Rs.
Audit fees	<u>100,000</u>	<u>75,000</u>

The Auditors, Messrs. BDO & Co. have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual Meeting of the shareholder.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

1. COMPLIANCE STATEMENT

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

2. GOVERNANCE STRUCTURE

Swan Global Funds 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 and the shareholders.

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. Members of the Board of Directors alike commit to understanding the code and abiding by its 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 unethical products.

The Company does not have any employees or a Chief Executive. It has retained the services of Swan Wealth Managers Ltd as Fund Manager of the Company ('Fund Manager') to advise on and manage the Company. The Fund Manager is also responsible for the formulation and implementation of investment, management, financial and marketing strategies and to provide accounting and other administrative services to the Company. The Fund Manager attends all board meetings.

The code of ethics, main clauses of the constitution, and profile of directors for the Company have been published on Swan group website.

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES

Swan Global Funds Ltd is headed by a unitary Board which consists of two non-executive directors. Members of the Board have a diverse set of skills, knowledge and appropriate gender balance. 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 Board is composed of the following directors:

- Karine Morel (non-executive)
- Jaiyansing Soobah (non-executive)

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.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

3.1 Directors' Profiles

Profiles of directors of the Company are as follows:

JAIYANSING SOOBAH

Jaiyansing (Shallen) 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.

List of other directorships:

Company Name	Position
Swan Corporate Affairs Ltd	Director
Swan Corporate Advisors Ltd	Director
Swan Foundation	Director
Manufacturers Distributing Station Ltd	Director
Swan Securities Ltd	Director
Swan Smart Achiever Notes Ltd	Director
Swan International Ltd	Director
Swan Actuarial Services Ltd	Director
The Stock Exchange of Mauritius	Director
Central Depository & Settlement Co. Ltd	Director

KARINE MOREL

Born in 1979, Karine Morel is a fellow of the Association of Chartered Certified Accountants(FCCA). She also holds a BCom from the University of Cape Town.

Karine joined the finance team of Swan Life Ltd in September 2001, and was promoted as Manager - Finance and Accounts in August 2007.

She now holds the position of Senior Manager - Group Finance since January 2019. She leads the finance and accounting teams of both the Short Term and the Long Term business of SWAN. She, also, oversees the financial operations of the subsidiaries, both local and foreign.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

3.1 Directors' Profiles (cont'd)**List of Other Directorships**

Company Name	Position
Swan Special Risks Company Limited	Director
Swan Securities Ltd	Director
Swan Wealth International Ltd	Director

3.2 Board Committees**3.2.1 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;

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

3.2.1 The Audit and Risks Committee (cont'd)

- 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.

3.2.2 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 Jayiansing 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.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

3.2.3 Attendance at board and committee meetings

One Board Meeting was held during the year which was attended by both directors. Decisions were also taken through written resolution of directors.

Attendance at Group committee meetings was as follows:

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

* 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 and details of the nomination & appointment process have been published on the Company's website.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

5. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

All directors are aware of their legal duties. Directors' duties emanate mainly from the Companies Act and Securities 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. The Fund Manager, executive management and the Company Secretary ensure that the Board of Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligations to keep all information confidential. 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 senior 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.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

5. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

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, 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, shareholders and customers.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance.

Directors	Designation	Fixed portion
Karine Morel	Non-executive	30,000
Jaiyansing Soobah	Non-executive	30,000

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.

6. RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

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, senior management and to the heads of operating units;
- 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 Audit & Risks Committee and senior management, is regularly apprised of the assessment 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.

The 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 senior management.

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.

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) 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 annual report for the year ended 31 December 2019 will be published on the website of SWAN Group.

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.

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. 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 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.

External Audit

Our external auditors are BDO & Co. External auditors are appointed/re-appointed by shareholders. Auditors remuneration is fixed by the Directors, 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.

For the presentation and approval of audited 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 2019, the following fees were paid to BDO & Co and its affiliates:

For audit services	Rs 100,000
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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's website provides meaningful information on the Company's products & services and share price.

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2019

9. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

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 sole shareholder namely Swan Wealth Managers Ltd by way of written resolution of shareholder

9.1 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 estimates of yearly results to 31 December.

9.2 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.

9.3 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.

9.4 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.

9.5 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.



Company Secretary
Swan Corporate Affairs Ltd

Date: 29 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company at December 31, 2019 and the results of its operations and cash flows for year ended December 31, 2019 and which comply with International Financial Reporting Standards (IFRS);
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors' report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) International Financial Reporting Standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified.
- (iv) the Code of Corporate Governance has been adhered to. Reasons have been provided in the Statement of Compliance and Corporate Governance Report in case of non-compliance with any requirement.

Signed on behalf of the Board of Directors on: 29 September 2020


.....
Director


.....
Director

STATEMENT OF COMPLIANCE
(Pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): Swan Global Funds Ltd
Reporting Period: December 31, 2019

Throughout the year ended 31st December 2019, to the best of the Board's knowledge the Company has complied with the National Code of Corporate Governance for Mauritius (2016) (the Code). The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

Names: 
CHAIRPERSON


DIRECTOR

Date: 29 September 2020

SECRETARY'S CERTIFICATE

UNDER SECTION 166(d) OF THE COMPANIES ACT 2001

We, Swan Corporate Affairs Ltd, the Company Secretary of Swan Global Funds 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.



Shailen J. Soobah
for Swan Corporate Affairs Ltd
Company Secretary

Date: 29 September 2020

SWAN GLOBAL FUNDS LTD

6

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Swan Global Funds Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Swan Global Funds Ltd on pages 7 to 26 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 7 to 26 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but 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, 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.

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Swan Global Funds Ltd

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.

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.

SWAN GLOBAL FUNDS LTD

6(b)

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Swan Global Funds Ltd

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

- 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.

Other Matter

This report is made solely to the members of Swan Global Funds 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 members those matters we are required to state to the members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
BDO & Co
Chartered Accountants


Ameenah Ramdin, FCCA, ACA
Licensed by FRC

Port Louis,
Republic of Mauritius
29 SEP 2020

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2019

Notes	Total 2019	Rs.	Foreign Equity Fund 2019	Rs.	Emerging Market Equity Fund 2019	Rs.	Income Fund 2019	Rs.	Income Fund 2019	USD	Total 2018	Rs.	Foreign Equity Fund 2018	Rs.	Emerging Market Equity Fund 2018	Rs.
ASSETS																
Non current asset																
Investments in financial assets at amortised cost	5 (a)	288,214,579	-	-	-	-	288,214,579	-	7,922,685	-	-	-	-	-	-	-
Investments in financial assets through profit or loss	5(b)	552,229,558	502,968,419	49,261,139	49,261,139	288,214,579	-	387,667,700	7,922,685	-	387,667,700	370,912,082	370,912,082	16,755,618	16,755,618	16,755,618
		840,444,137	502,968,419	49,261,139	49,261,139	288,214,579	-	387,667,700	7,922,685	-	387,667,700	370,912,082	370,912,082	16,755,618	16,755,618	16,755,618
Current assets																
Other receivables	6	412,112	47,264	-	-	364,848	12,769	37,500	-	-	37,500	37,500	37,500	-	-	-
Cash and cash equivalents	15	57,125,768	11,291,846	3,538,056	3,538,056	42,295,866	1,162,664	65,528,611	1,162,664	-	65,528,611	55,244,895	55,244,895	10,283,716	10,283,716	10,283,716
		57,537,880	11,339,110	3,538,056	3,538,056	42,660,714	1,175,433	65,566,111	1,175,433	-	65,566,111	55,282,395	55,282,395	10,283,716	10,283,716	10,283,716
Total assets		897,982,017	514,307,529	52,799,195	52,799,195	330,875,293	9,098,118	453,233,811	9,098,118	-	453,233,811	426,194,477	426,194,477	27,039,334	27,039,334	27,039,334
EQUITY AND LIABILITIES																
Equity																
Stated capital	7	10,000	10,000	-	-	-	-	10,000	-	-	10,000	10,000	10,000	-	-	-
Liability																
Other payables	9	1,833,135	1,367,229	109,210	109,210	356,696	9,796	1,832,486	9,796	-	1,832,486	1,785,799	1,785,799	66,687	66,687	66,687
Net assets attributable to holders of Class A Redeemable Participating shares	8	896,138,882	512,930,300	52,689,985	52,689,985	330,518,597	9,088,322	451,371,325	9,088,322	-	451,371,325	424,398,678	424,398,678	26,972,647	26,972,647	26,972,647
Total equity and liability		897,982,017	514,307,529	52,799,195	52,799,195	330,875,293	9,098,118	453,233,811	9,098,118	-	453,233,811	426,194,477	426,194,477	27,039,334	27,039,334	27,039,334

These financial statements have been approved for issue by the Board of Directors on 29 September 2020


Name of Director
Signature


Name of Director
Signature

The notes on pages 1 to 26 form an integral part of these financial statements.
Auditors' report on pages 6 to 6(b).

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

	Total		Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	2019	2018	2019	2018	2019	2018	2019	2018	2018	2018	2018	2018
Notes	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	11	22,168,976	17,369,826	523,301	4,335,849	119,203		3,894,252	3,848,946	45,306		
Other gains/(losses)	12	114,728,745	106,033,709	6,794,136	1,910,900	-		(38,718,031)	(38,543,210)	(174,821)		
Administrative expenses	13	(7,769,192)	(5,607,909)	(772,873)	(1,388,419)	(39,339)		(5,489,416)	(5,445,760)	(43,656)		
Net finance income/(costs)	14	2,443,117	751,450	98,580	1,593,087	(18)		(827,676)	(936,638)	108,962		
Profit/(loss) before tax		131,571,646	118,487,085	6,633,144	6,451,417	79,846		(41,140,871)	(41,076,662)	(64,209)		
Income tax expense	10	-	-	-	-	-		-	-	-		
Profit/(loss) for the year		131,571,646	118,487,085	6,633,144	6,451,417	79,846		(41,140,871)	(41,076,662)	(64,209)		

The notes on pages 11 to 26 form an integral part of these financial statements.
Auditors' report on pages 6 to 6(b).

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A REDEEMABLE PARTICIPATING SHARES - YEAR ENDED DECEMBER 31, 2019

	Total 2019		Foreign Equity Fund 2018		Emerging Market Equity Fund 2018		Income Fund 2019		Income Fund 2018		Total 2018		Foreign Equity Fund 2018		Emerging Market Equity Fund 2018	
	Number of shares	Rx.	Number of shares	Rx.	Number of shares	Rx.	Number of shares	USD	Number of shares	Rx.	Number of shares	Rx.	Number of shares	Rx.	Number of shares	Rx.
Balance at January 1,	24,381,650	451,271,325	21,348,230	424,398,678	2,733,272	26,972,647	-	-	-	-	18,903,226	415,539,374	18,903,226	415,319,374	-	-
Issue of shares	3,879,888	377,297,092	968,973	20,513,251	2,890,374	21,716,661	926,141	9,282,026	926,141	354,067,180	6,453,650	104,989,365	3,720,378	77,852,909	2,133,272	27,036,856
Redemption of shares	(7,514,160)	(64,101,181)	(3,357,573)	(50,468,714)	(319,336)	(3,632,467)	(77,193)	(273,569)	(77,193)	(18,000,000)	(17,193)	(27,836,943)	(3,255,374)	(27,816,943)	-	-
Net increase from share transactions	1,344,986	313,195,911	(3,296,680)	(29,465,463)	1,762,638	17,084,194	898,948	9,008,476	898,948	324,067,180	898,948	5,198,276	2,465,004	50,135,966	2,133,272	27,036,856
Total comprehensive income for the year	-	131,571,646	-	108,487,085	-	6,633,144	-	79,846	-	6,451,417	-	(41,140,873)	-	(41,876,662)	-	(64,209)
Balance at December 31,	25,466,488	696,138,882	20,871,630	521,936,300	4,495,910	52,685,985	898,948	9,888,322	898,948	336,518,597	898,948	451,371,325	21,368,230	424,298,638	2,133,272	26,972,647

The notes on pages 11 to 26 form an integral part of these financial statements.
Auditors' report on pages 6 to 5(2).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2019

Notes	Total 2019		Foreign Equity Fund 2019		Emerging Market Equity Fund 2019		Income Fund 2019		Total 2018		Foreign Equity Fund 2018		Emerging Market Equity Fund 2018	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Cash (absorbed in)/generated from operations														
Profit/(loss) for the year	131,571,646	118,487,085	6,633,144	79,846	(41,140,871)	(64,209)								
Adjustment for:														
Interest expense	1,213	533	40	18	21	21								
Dividend income	(1,262,296)	(921,428)	(340,868)	-	(855,091)	(830,990)								
Profit on disposal of investments	(16,208,419)	(16,208,419)	-	-	(2,723,754)	(2,723,754)								
Interest income	(4,359,504)	(23,655)	-	(4,335,849)	(119,203)	(30,302)								
Fair value (gains)/losses on financial assets at fair value through profit or loss	(112,817,845)	(106,033,709)	(6,784,136)	-	38,718,031	38,543,210								
Exchange (gains) on retranslation of foreign currency balances	(1,910,900)	-	-	(1,910,900)	-	-								
Changes in working capital:														
Other receivables	(374,612)	(9,764)	-	(12,769)	97,376	97,376								
Other payables	(19,351)	(418,570)	42,523	9,796	1,332,871	1,266,184								
Net cash (absorbed in)/ generated from operations	(5,300,068)	(5,127,927)	(449,297)	(42,312)	(4,601,719)	(4,754,917)								
Interest paid	(1,213)	(533)	(40)	(18)	(21)	(21)								
Interest received	4,359,504	23,655	-	4,335,849	119,203	30,302								
Net cash (used in)/generated from operating activities	(1,021,777)	(5,104,805)	(449,337)	76,873	(4,571,438)	(4,724,636)								
Cash flows from investing activities														
Dividends received	1,262,296	921,428	340,868	-	855,091	830,990								
Proceeds from disposal of investments in financial assets	92,511,807	92,511,807	-	-	9,466,686	9,466,686								
Purchase of investment in financial assets	(414,351,080)	(102,326,016)	(25,721,385)	(7,922,685)	(79,551,848)	(62,621,409)								
Net cash used in investing activities	(330,576,977)	(8,892,781)	(25,380,517)	(286,303,679)	(69,230,071)	(52,323,753)								
Cash flows from financing activities														
Proceeds from issue of Class A Redeemable Participating shares	377,297,092	20,513,251	22,716,661	334,067,180	104,989,765	77,952,909								
Redemption of Class A Redeemable Participating shares	(64,101,181)	(50,468,714)	(3,632,467)	(10,000,000)	(273,560)	(27,816,943)								
Net cash generated from/(used in) financing activities	313,195,911	(29,955,463)	19,084,194	324,067,180	9,008,476	50,135,966								
Net (decrease)/increase in cash and cash equivalents	(8,402,843)	(43,953,049)	(6,745,660)	42,295,866	1,162,664	3,371,313								
Movements in cash and cash equivalents														
At January 1,	65,528,611	55,244,895	10,283,716	-	62,157,298	62,157,298								
(Decrease)/increase	(8,402,843)	(43,953,049)	(6,745,660)	42,295,866	1,162,664	3,371,313								
At December 31,	57,125,768	11,291,846	3,538,056	43,295,866	1,162,664	65,528,611								

The notes on pages 11 to 26 form an integral part of these financial statements.
Auditors' report on pages 6 to 6(b).

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

1. GENERAL INFORMATION

Swan Global Funds Limited (the "Company") is a public company limited by shares, incorporated and domiciled in Mauritius. Its main activity is to invest in foreign financial markets and its business address is Swan Centre, 10, Intendance Street, Port Louis.

The Company has two types of shares:

- (i) Management Shares carrying the following rights and obligations:
 - (a) they shall be issued solely to the CIS Manager and/or such other person(s) as may be approved by the Directors with the consent of the CIS Manager;
 - (b) they shall not be Class Shares;
 - (c) all proceeds of allotment of Management Shares shall be kept separate and separately identifiable from Class Assets;
 - (d) they shall be non-redeemable; and
 - (e) they shall confer upon the holders of Management Shares exclusive voting rights;
- (ii) Class A Redeemable Participating shares carrying the rights and obligations set out below:
 - (a) they shall be Class Shares and be issued in respect of a specifically designated Class as the Directors may determine;
 - (b) subject to the Companies Act 2001, they shall carry no right to receive notice of, attend, speak or vote at meetings of shareholders except with respect to Class Meeting of the holders of Class Shares and in case of modification or variation of rights of that class of Shares;
 - (c) they shall carry an exclusive right to Class Dividend and any other Distributions; and
 - (d) they shall be redeemable pursuant to the provisions of the Constitution.

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. The policies have been consistently applied to the previous period, unless otherwise stated.

(a) Basis of preparation

The financial statements of Swan Global Funds 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. Where necessary, comparative figures have been amended to conform with change in presentation in the current period. The financial statements are prepared under the historical cost convention, except that available for sale investments, held-to-maturities investments and relevant financial assets and financial liabilities are stated at their fair values.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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 amendment has 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.

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 2014-2016 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.

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)***

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 January 1, 2019 or later periods, but which the Company has not early adopted.

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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Financial Instruments****(i) Financial assets**

The Company classifies its financial assets into 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:

(A) Fair Value through profit or loss

The Company classifies the following financial asset at fair value through profit or loss (FVPL):
- Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income.

(B) Amortised cost

These assets arise principally other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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 trade and other receivables and cash and cash equivalents in the statement of financial position.

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Financial Instruments (cont'd)****(ii) Financial liabilities**

The Company classifies its financial liabilities as follows:

- Other payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Management shares are classified as equity.

(iii) Class A Redeemable Participating shares

Class A Redeemable Participating shares are redeemable at the holder's option and are classified as equity.

(c) 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 substantially enacted by the end of the reporting period.

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 profit will be available against which deductible temporary differences can be utilised.

(d) Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Foreign currencies (cont'd)****(ii) Transactions and balances (cont'd)**

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other gains/(losses) - net'.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(e) Revenue recognition

The company does not derive revenue that falls under the scope of IFRS 15 and hence does not apply 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.
- Interest Income - on a time-proportion basis using the effective interest method.
- Commission Income - on an accrual basis in accordance with the substance of the relevant agreement.

(f) 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(g) 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. An 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).

(h) 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 factor

The Company's activities expose it to a variety of financial risks: currency risk, price risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. A description of the significant risk factors is given below together with the risk management policies applicable.

(i) Currency risk

The Company is exposed to foreign exchange rate risk arising from currency exposure with respect to Euro, UK pound, US Dollar and Japanese Yen. Foreign exchange risk arises from investment in foreign entities.

At December 31, 2019, if the rupee had weakened/strengthened by 5% against USD, Euro, GBP and JPY with all other variables held constant, post-tax profit for the year would have been Rs.1,963,980 (2018: Rs 2,234,798) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD, Euro, GBP and JPY denominated cash and cash equivalents. Equity would have been Rs. 41,685,026 (2018: Rs.19,113,774) lower/higher, arising mainly from foreign exchange losses/gains on translation of USD, Euro, GBP and JPY denominated equity securities classified as financial assets at fair value through profit or loss and denominated debt securities classified as financial assets at amortised cost.

(ii) Credit risk

Credit risks arises from cash and cash equivalents while no risks from credit exposure to customers including outstanding receivables.

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties are accepted.

The company does not have any credit risk arising from credit exposure to customer as it does not provide credit facilities due to the nature of the business.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(iii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as available for sale. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification is done in accordance with the limits set by the Company. Based on the assumption that the fair value of shares had increased/decreased by 5%, the impact on equity would have been Rs. 27,611,478 (2018: Rs.19,113,774) higher/lower.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial risk factor (cont'd)****(iv) Liquidity risk**

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company keeps a sufficient cash ratio to meet any redemptions.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily quoted equity investments classified as trading securities or available for sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the company for similar financial instruments.

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.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of financial assets

The Company follows the guidance of IFRS 9 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

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

5(a). FINANCIAL ASSETS AT AMORTISED COST

	Income Fund	
	2019	2019
	Rs.	USD
Fixed Income Securities		
Additions	286,303,679	7,922,685
Effective finance income	4,335,849	119,203
Finance income received	(4,335,849)	(119,203)
Foreign exchange gains on retranslation	1,910,900	-
At December 31,	288,214,579	7,922,685

5(b). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The carrying amounts of the financial assets at fair value through profit or loss are classified as follows:

	Total		Foreign Equity Fund		Emerging Market Equity Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1,	387,667,700	370,912,082	370,912,082	16,755,618	353,576,815	353,576,815	-	-	-	-
Additions	128,040,064	102,318,679	102,318,679	25,721,385	87,729,073	70,798,634	16,930,439	16,930,439	16,930,439	16,930,439
Disposals	(76,296,051)	(76,296,051)	(76,296,051)	-	(14,920,157)	(14,920,157)	-	-	-	-
Fair value gains/(losses)	112,817,845	106,033,709	106,033,709	6,784,136	(38,718,031)	(38,543,210)	6,784,136	(38,543,210)	6,784,136	(174,821)
At December 31,	552,229,558	502,968,419	502,968,419	49,261,139	387,667,700	370,912,082	49,261,139	370,912,082	49,261,139	16,755,618

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

5(b). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Demonstrated in the following currencies:

Currency	Total 2019		Foreign Equity Fund 2019		Emerging Market Equity Fund 2019		Income Fund 2019	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Rupee	6,743,621	5,810,606	5,810,606	933,015	-	-	-	-
USD	767,247,065	430,704,361	430,704,361	48,328,124	288,214,579	-	-	-
EURO	41,151,704	41,151,704	41,151,704	-	-	-	-	-
GBP	13,811,133	13,811,133	13,811,133	-	-	-	-	-
JPY	11,490,615	11,490,615	11,490,615	-	-	-	-	-
	840,444,138	502,968,419	502,968,419	49,261,139	288,214,579	-	-	-

(i) All debt securities have coupon rates between 3.557% and 5.25%.

(ii) None of the financial assets were either past due or impaired.

(iii) Financial assets at amortised cost and fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

(iv) Changes in fair values of financial assets at fair value through profit or loss are recorded in profit or loss (note 12).

(v) Foreign exchange gains or losses on retranslation of foreign currency transactions are recorded in profit or loss (note 12).

6. OTHER RECEIVABLES

	Total 2019		Foreign Equity Fund 2019		Emerging Market Equity Fund 2019		Income Fund 2019		Foreign Equity Fund 2018		Emerging Market Equity Fund 2018	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.	
Receivables from related parties (note 16)	367,112	2,264	2,264	-	-	-	12,769	-	-	-	-	-
Prepayments	45,000	45,000	45,000	-	-	-	-	37,500	37,500	-	-	-
	412,112	47,264	47,264	-	-	-	12,769	37,500	37,500	37,500	-	-

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

7. STATED CAPITAL

Management shares	
Number of shares	Amount
1,000	Rs. 10,000

At January 1 and December 31, 2019

- (a) The Company does not have any authorised share capital and the shares are at no par value. The 1,000 Management Shares of Rs.10 each are held by Swan Wealth Managers Ltd, a company incorporated in Mauritius.
- (b) Management shares are non-redeemable shares that are vested with exclusive voting rights.

8. NET ASSET VALUE

Net assets attributable to a holder of the Class A Redeemable Participating share represent a liability in the statement of financial position, carried out at the redemption amount that would be payable at the end of the reporting date if the holders exercised the right to return the share back to the Company. The Company's net asset value per share is calculated by dividing the net assets attributable to the holders of Class A Redeemable participating shares with the total number of outstanding redeemable shares.

	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Income Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	2019	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018
	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net asset attributable to holders of Class A Redeemable Participating shares	512,930,300	52,689,985	330,518,597	9,088,322	9,088,322	424,398,678	26,972,647					
	20,071,630	4,495,910	898,948	898,948	898,948	21,368,230	2,733,272					
Net asset value per Class A Redeemable Participating shares at December 31,	25.55	11.72	367.67	10.11	10.11	19.86	9.87					
Issued price of Class A Redeemable Participating shares on December 31,	25.55	11.72	367.67	10.11	10.11	19.86	9.87					
Repurchased price of Class A Redeemable Participating shares on December 31,	25.55	11.72	367.67	10.11	10.11	19.86	9.87					

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

9. PAYABLES	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	Total 2019	2019	Total 2019	2019	2019	2019	Total 2018	2018	Total 2018	2018
	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.	Rs.
Payables to related parties (note 16)	1,160,122	899,430	57,392	203,300	5,591	1,521,650	1,458,963	62,687		
Accrued expenses	673,013	467,799	51,818	153,396	4,205	330,836	326,836	4,000		
	1,833,135	1,367,229	109,210	356,696	9,796	1,852,486	1,785,799	66,687		

The carrying amount of payables approximate their fair values.

10. INCOME TAX EXPENSE

10. INCOME TAX EXPENSE	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	Total 2019	2019	Total 2019	2019	2019	Total 2018	2018	Total 2018	2018	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Current tax on the adjusted profit for the year at 15%	-	-	-	-	-	-	-	-	-	-

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

Profit/(loss) before taxation	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Foreign Equity Fund		Emerging Market Equity Fund	
	Total 2019	2019	Total 2019	2019	2019	Total 2018	2018	Total 2018	2018	Rs.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Profit/(loss) before taxation	131,571,646	118,487,085	6,633,144	6,451,417	6,451,417	(41,140,871)	(41,076,662)	(64,209)		
Tax calculated at a rate of 15% (2018: 15%)	19,735,747					1,709,764				
Income not subject to tax	(19,550,844)					(2,723,754)				
Foreign tax credit	77,751					366,469				
Unused tax losses	(262,654)					-				
Tax losses for which no deferred income tax asset was recognised	-					647,521				

At the end of the reporting date, the Company had unused tax losses of Rs.7,877,588 (2018: Rs.9,488,429) available for offset against future taxable income. No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams.

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

11. REVENUE	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Total	
	2019	2018	2019	2018	2019	2018	2018	2018
	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.
Dividend income	1,262,296	921,428	340,868	-	-	855,091	830,990	24,101
Interest income	4,359,504	23,655	-	4,335,849	119,203	50,302	30,302	-
Profit on disposal of investments in financial assets	16,208,419	16,208,419	-	-	-	2,723,754	2,723,754	-
Commission income	338,757	156,324	182,433	-	-	285,105	263,900	21,205
	<u>22,168,976</u>	<u>17,309,826</u>	<u>523,301</u>	<u>4,335,849</u>	<u>119,203</u>	<u>3,894,252</u>	<u>3,848,946</u>	<u>45,306</u>

In line with IFRS 9, profit on disposal of investment in financial asset through profit or loss has been released from fair value reserve to retained earnings.

12. OTHER GAINS/(LOSSES)	Foreign Equity Fund		Emerging Market Equity Fund		Income Fund		Total	
	2019	2018	2019	2018	2019	2018	2018	2018
	Rs.	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.
Fair value gains/(losses) on financial assets at fair value through profit or loss	112,817,845	106,033,709	6,784,136	-	-	(38,718,031)	(38,543,210)	(174,821)
Net Foreign exchange gains on retranslation of foreign currency balances	1,910,900	-	-	1,910,900	-	-	-	-
	<u>114,728,745</u>	<u>106,033,709</u>	<u>6,784,136</u>	<u>1,910,900</u>	<u>-</u>	<u>(38,718,031)</u>	<u>(38,543,210)</u>	<u>(174,821)</u>

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

13. ADMINISTRATIVE EXPENSES

	Total 2019	Foreign Equity Fund 2019	Emerging Market Equity Fund 2019	Income Fund 2019	Income Fund 2019	Total 2018	Foreign Equity Fund 2018	Emerging Market Equity Fund 2018
	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.
Licences	122,986	70,415	25,391	27,180	750	104,051	102,832	1,219
Bank charges	856,879	510,397	139,676	206,806	5,674	585,136	582,776	2,360
Management and secretarial fees	6,064,055	4,710,097	415,678	938,280	25,740	4,334,788	4,316,538	18,250
Directors' remuneration	60,000	46,458	3,868	9,674	268	60,000	59,750	250
Professional fees	111,879	88,564	5,829	17,486	484	120,335	119,963	372
Commission fees	527,749	156,324	182,431	188,994	5,206	285,106	263,901	21,205
Other expenses	25,645	25,645	-	-	1,217	-	-	-
	7,769,192	5,607,900	772,873	1,388,419	39,339	5,489,416	5,445,760	43,656

14. NET FINANCE INCOME/(COSTS)

	Total 2019	Foreign Equity Fund 2019	Emerging Market Equity Fund 2019	Income Fund 2019	Income Fund 2019	Total 2018	Foreign Equity Fund 2018	Emerging Market Equity Fund 2018
	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.
Net foreign exchange gains/(losses)	2,444,330	751,983	98,620	1,593,727	-	(827,655)	(936,617)	108,962
Interest on bank overdrafts	(1,213)	(533)	(40)	(640)	(18)	(21)	(21)	-
	2,443,117	751,450	98,580	1,593,087	(18)	(827,676)	(936,638)	108,962

15. CASH AND CASH EQUIVALENTS

	Total 2019	Foreign Equity Fund 2019	Emerging Market Equity Fund 2019	Income Fund 2019	Income Fund 2019	Total 2018	Foreign Equity Fund 2018	Emerging Market Equity Fund 2018
	Rs.	Rs.	Rs.	USD	Rs.	Rs.	Rs.	Rs.
Cash at bank	57,125,768	11,291,846	3,538,056	42,195,866	1,162,664	65,528,611	55,244,895	10,283,716

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

16. RELATED PARTY TRANSACTIONS

	Management fees		Management Commission		Commission fees		Amount owed to related parties		Amount owed to related parties		Amount owed by related parties	
	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD	Rs.	USD
<u>2019</u>												
Fund Manager	5,996,403	25,419	527,749	5,206	5,206	-	1,160,122	-	367,112	12,769	367,112	12,769
	<u>5,996,403</u>	<u>25,419</u>	<u>527,749</u>	<u>5,206</u>	<u>5,206</u>	<u>-</u>	<u>1,160,122</u>	<u>-</u>	<u>367,112</u>	<u>12,769</u>	<u>367,112</u>	<u>12,769</u>
<u>2018</u>												
Fund Manager	4,257,867	-	285,106	-	-	-	1,521,650	-	-	-	-	-
	<u>4,257,867</u>	<u>-</u>	<u>285,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,521,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

17. EVENTS AFTER REPORTING DATE

COVID-19 outbreak poses a serious public health threat worldwide. It is expected that the economy of the different countries in which the cell operates 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.