SWAN SECURITIES LTD

ANNUAL REPORT - YEAR ENDED

DECEMBER 31, 2019

Dear Shareholder,

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

The Board of Directors of the holding company strives to apply principles of good corporate governance throughout the Company.

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This report was approved by the Board of Directors on: 13 May 2020

Director

Director

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment dealing activities.

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
Mrs. Karine Morel (appointed on 15 March 2019)
Mr. Veenaye Busgeeth (resigned on 18 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

Remuneration and benefits received or due and receivable from the Company were as follows:

	2019	2018
	Rs.	Rs.
Mr. Jaiyansing Soobah	**20,000**	20,000
Mrs. Karine Morel	**15,000**	-
Mr. Veenaye Busgeeth	**5,000**	20,000
	40,000	40,000

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:

	2019	2018
	Rs.	Rs.
Audit fees	**135,000**	130,000

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 Shareholders.

1. COMPLIANCE STATEMENT

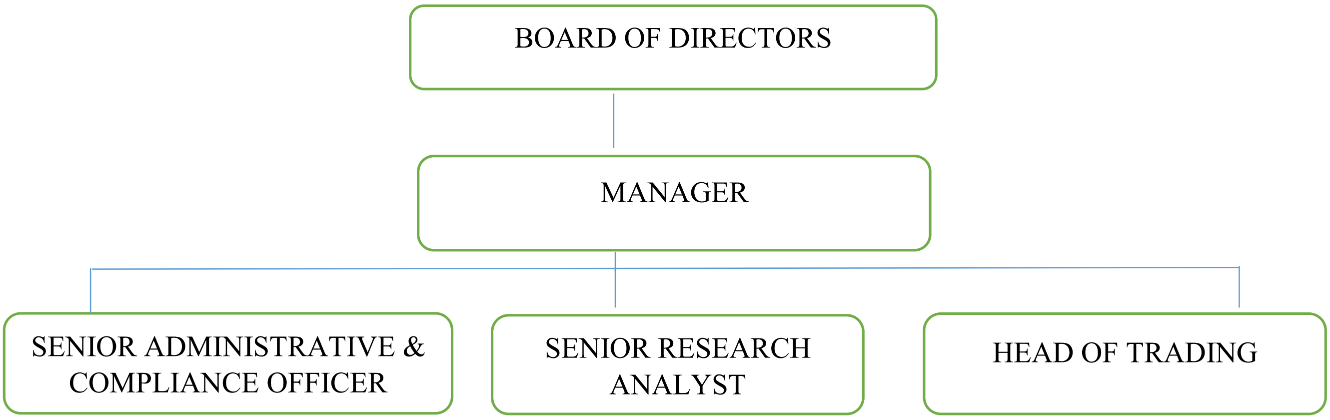
Swan Securities Ltd (the 'Company') is a Public Interest Entity as defined by the Financial Reporting Act 2004.

2. GOVERNANCE STRUCTURE

Swan Securities 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 sole Shareholder, namely Swan Financial Solutions Ltd and 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. Employees, 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. A high level organization chart is provided below.



The Corporate Governance Committee and the Audit & Risks Committee are established at the level of the Group and oversee the governance, audit and risk issues of all the subsidiaries, including the Company.

The code of ethics, main clauses of the constitution, profile of directors have been published on the Company's website

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES

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

The Board is composed of the following directors:

- Jaiyansing Soobah (non-executive)
- Karine Morel (non-executive) (appointed on 15 March 2019)
- Veenaye Busgeeth (non-executive) (resigned on 18 March 2019)

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

Directors' Profiles

Profiles of directors are as follows:

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.

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

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 Global Funds 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 and a resident of Mauritius, 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.

List of other directorships:

Company Name	Position
Swan Special Risks Company Ltd	Director
Swan Global Funds Ltd	Director
Swan Wealth International 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 Mooroogen (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.

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Committees (cont'd)

The Audit and Risks Committee (cont'd)

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 Mooroogen (*independent*)
Mr. Victor Seeyave (*independent*)

The Group Chief Executive is in attendance.

Mr Jaiyansing Soobah acts as Secretary of the Committee.

3. STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

The Corporate Governance Committee (cont'd)

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

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 Mooroogen	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

5. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

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

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

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. 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, 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. The fees paid to the Directors of the Company are as follows:

Directors	**Designation**	**Fixed portion (MUR)**
Veenaye Busgeeth *(resigned on 18 March 2019)*	Non-Executive	5,000
Karine Morel	Non-executive	15,000
Jaiyansing Soobah	Non-executive	20,000

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

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 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.

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) 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.

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 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.

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.

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 2019, the following fees were paid to BDO & Co:

For audit services	Rs 135,000

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 sole shareholder namely Swan Financial Solutions Ltd 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.

Shailen J. Soobah
for **Swan Corporate Affairs Ltd**
Company Secretary
13 May 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.

Signed on behalf of the Board of Directors on: 13 May 2020

.... Director

.... Director

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

Name of Public Interest Entity (PIE): Swan Securities Ltd

Reporting Period: December 31, 2019

Throughout the year ended December 31, 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.

SIGNED BY:

Names: ....
CHAIRPERSON

....
DIRECTOR

DATE: 13 May 2020

DATE: 13 May 2020

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

J. Soobah
for **Swan Corporate Affairs Ltd**
Company Secretary

Date: 13 May 2020

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BDO & Co Ltd
10, Frère Félix de Valois Street
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P.O. Box 799

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SWAN SECURITIES LTD

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Swan Securities Ltd (the Company), on pages 6 to 46 which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 6 to 46 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

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SWAN SECURITIES LTD (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statement

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.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SWAN SECURITIES LTD (CONT'D)

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 member of Swan Securities 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 them 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
Chartered Accountants

Port Louis,
Mauritius

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

13 May 2020

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

	Notes	2019	Restated 2018
		Rs.	Rs.
Revenue	2.2/5	**25,783,415**	24,167,822
Other income	6	**1,891,627**	2,243,207
Administrative expenses	7	**(22,076,628)**	(24,890,104)
		5,598,414	1,520,925
Net finance income/(cost)	8	**113,643**	(182,812)
Profit before taxation	9	**5,712,057**	1,338,113
Income tax expense	10(a)	**(975,941)**	(302,507)
Profit for the year		**4,736,116**	1,035,606
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**548,159**	(368,070)
Change in fair value of equity instruments at fair value through other comprehensive income	15(i)	**1,922,610**	(1,580,006)
Other comprehensive income for the year, net of tax		**2,470,769**	(1,948,076)
Total comprehensive income for the year		**7,206,885**	(912,470)

The notes on pages 10 to 46 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

SWAN SECURITIES LTD

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2019

ASSETS	Notes	December 31, 2019	Restated December 31, 2018	Restated January 01, 2018
		Rs.	Rs.	Rs.
Non-current assets				
Plant and equipment	12	120,842	232,197	246,843
Right-of-use asset	13	4,592,399	-	-
Intangible assets	14	-	55,681	167,042
Financial assets at fair value through other comprehensive income	15	29,607,742	28,429,763	28,210,809
Financial assets at amortised cost	18	5,444,422	-	-
Deferred tax assets	16	692,600	733,761	589,099
		40,458,005	29,451,402	29,213,793
Current assets				
Trade receivables	17	5,084,507	4,596,985	7,755,803
Financial assets at amortised cost	18	6,320,687	6,703,077	9,539,773
Other assets	19	605,944	548,927	489,868
Current tax asset	10(c)	-	119,565	-
Cash and cash equivalents	24(d)	105,036,197	45,809,133	58,766,719
		117,047,335	57,777,687	76,552,163
Total assets		157,505,340	87,229,089	105,765,956
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	20	10,000,000	10,000,000	10,000,000
Retained earnings		48,665,250	43,680,931	46,286,511
Other reserves		(912,215)	(3,134,781)	172,109
Total equity		57,753,035	50,546,150	56,458,620
LIABILITIES				
Non-current liabilities				
Lease liability	13A	3,651,101	-	-
Retirement benefit obligations	21	3,348,104	3,750,540	3,074,675
		6,999,205	3,750,540	3,074,675
Current liabilities				
Trade and other payables	22	90,813,775	32,932,399	41,293,670
Lease liability	13A	1,055,320	-	-
Dividend payable		-	-	4,500,000
Current tax liability	10(c)	884,005	-	438,991
		92,753,100	32,932,399	46,232,661
Total equity and liabilities		157,505,340	87,229,089	105,765,956

These financial statements have been approved for issue by the Board of Directors on .13..May..2020

Director

Director

The notes on pages 10 to 46 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

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

	Note	Share capital	Fair value reserve	Actuarial reserve	Retained earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2019						
- As previously reported		10,000,000	(2,766,711)	-	46,425,809	53,659,098
- Prior year adjustment (note 29)		-	-	(368,070)	(2,744,878)	(3,112,948)
- As restated		10,000,000	(2,766,711)	(368,070)	43,680,931	50,546,150
Profit for the year		-	-	-	4,736,116	4,736,116
Other comprehensive income for the year		-	1,922,610	548,159	-	2,470,769
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	(248,203)	-	248,203	-
At December 31, 2019		**10,000,000**	**(1,092,304)**	**180,089**	**48,665,250**	**57,753,035**
At January 1, 2018						
- As previously reported		10,000,000	172,109	-	48,838,491	59,010,600
- Prior year adjustment (note 29)		-	-	-	(2,551,980)	(2,551,980)
- As restated		10,000,000	172,109	-	46,286,511	56,458,620
Profit for the year		-	-	-	1,035,606	1,035,606
Other comprehensive income for the year		-	(1,580,006)	(368,070)	-	(1,948,076)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings		-	(1,358,814)	-	1,358,814	-
Dividends	23	-	-	-	(5,000,000)	(5,000,000)
At December 31, 2018		**10,000,000**	**(2,766,711)**	**(368,070)**	**43,680,931**	**50,546,150**

The notes on pages 10 to 46 form an integral part of these financial statements.
Auditor's report on pages 5 to 5(b).

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2019

	Notes	2019	2018
		Rs.	Rs.
Cash flows from operating activities			
Cash generated from/(used in) operations	24(a)	**58,963,688**	(2,004,042)
Interest received		**311,800**	270,241
Interest paid		**(839,948)**	(32,450)
Tax refund received		**16,020**	-
Tax paid		**(59,503)**	(930,337)
Net cash generated from/(used in) operating activities		**58,392,057**	(2,696,588)
Cash flows from investing activities			
Purchase of plant and equipment	12	**(35,938)**	(148,121)
Purchase of financial assets at fair value through other comprehensive income	15	**(69,415,060)**	(26,565,631)
Disposal of financial assets at fair value through other comprehensive income	15	**70,159,691**	24,766,671
Dividends received	6	**1,310,708**	1,186,083
Net cash generated from/(used in) investing activities		**2,019,401**	(760,998)
Cash flows from financing activities			
Principal paid on lease liability	24(c)	**(916,925)**	-
Interest paid on lease liability		**(267,469)**	-
Dividend paid	23	**-**	(9,500,000)
Net cash used in financing activities		**(1,184,394)**	(9,500,000)
Net increase/(decrease) in cash and cash equivalents		**59,227,064**	(12,957,586)
Movement in cash and cash equivalents			
At January 1,		**45,809,133**	58,766,719
Increase/(decrease)		**59,227,064**	(12,957,586)
At December 31	24(d)	**105,036,197**	45,809,133

The notes on pages 10 to 46 form an integral part of these financial statements.

Auditor's report on pages 5 to 5(b).

1. COMPANY PROFILE

Swan Securities Ltd is a private company incorporated and domiciled in Mauritius. Its main activities consist of investment dealing activities. Its registered address is Swan Group Centre, 10, Intendance Street, Port Louis. The financial statements are prepared for the year ended December 31, 2019.

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. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Swan Securities Ltd 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, except when otherwise indicated. The financial statements are prepared under the historical cost convention, except that relevant financial assets and relevant financial liabilities are stated at their fair value and relevant financial assets and financial liabilities are 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 Company has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for 2018, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in note 2.9.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 5.60%.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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, 2020 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.

2.2 Revenue recognition

(a) Revenue from contracts with customers

Performance obligations and timing of revenue recognition
The majority of the revenue is derived from stockbroking activities with revenue (brokerage fees) are recognised at a point in time when control of the shares has transferred to/from the customer. This is generally when sales and purchase of shares on the primary market are confirmed.

Determining the transaction price
Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations
For most contracts, there is a fixed brokerage fee rate for each sale and purchase transactions. Therefore, there is no judgement involved in allocating the contract price to each transaction in such contracts (it is the total contract price multiply by the brokerage fee rate). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product’s standalone selling prices (all product lines are capable of being, and are, sold separately).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Revenue recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

The Company has applied the following transitional reliefs in IFRS 15:

- it has not restated completed contracts that:
  - begin and end within the same annual reporting period; or
  - were completed contracts at the beginning of the earliest period presented.

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

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.

2.3 Plant and equipment

All plant and equipment are 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:

Office equipment	15 - 50%
Furniture & fittings	15%

Assets costing less than Rs.30,000 are depreciated at 100% in the year of acquisition.

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.

2.4 Intangible assets

Computer software

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 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).

2.6 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:

(i) Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate 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 administrative expenses 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial assets (cont'd)

(i) Amortised cost (cont'd)

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

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.

(ii) Fair value through other comprehensive income

The Company has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

2.7 Financial liabilities

The Company classifies its financial liabilities as follows:

- Trade 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax

The tax expense for the year comprises of current, deferred tax and Corporate Social Responsibility (CSR). 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 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 profit will be available against which deductible temporary differences can be utilised.

Corporate Social Responsibility (CSR)
Every Mauritian Company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and Company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and classified as taxation.

2.9 Leases

In 2018, the Company did not have finance leases. All other leases were classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:
(a) There is an identified asset;
(b) The Company obtains substantially all the economic benefits from use of the asset; and
(c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company’s incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases (cont'd)

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases (cont'd)

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.11 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 exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

2.12 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Retirement benefit obligations

(a) *Defined Contribution Plan*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company operate a defined contribution retirement benefit plan for all qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

(b) *Defined benefit Plan*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent periods.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(c) *Gratuity on retirement*

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Right Act 2019 (2018 - Employment Rights Act 2018) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

2.14 Dividend distribution

Dividend distribution to the Company's shareholders 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 activities expose it to a variety of financial risks: currency risk, credit risk, price risk, liquidity risk, and interest-rate 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.

(a) **Currency risk**

The Company has bank balances, receivables and payables denominated in foreign currencies namely US dollar (USD), Euro, Pound Sterling (GBP), South African Rand (Rand) and Seychelles Rupee (SCR). The Company is exposed to foreign currency risk due to fluctuations in exchange rates. At December 31, 2019, if the rupee had weakened/strengthened by 5% against the USD, Euro, GBP, Rand and SCR with all other variables held constant, post tax profit for the year would have been Rs.2,930,338 (2018: Rs.777,099) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD, Euro, GBP, Rand and SCR denominated bank balances.

(b) **Credit risk**

Credit risks arises from cash and cash equivalents as well as 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.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

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

(c) **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 financial assets at fair value through other comprehensive income. 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.1,480,387 (2018: Rs.1,421,488) higher/lower.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(d) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management does not foresee any liquidity risk problems in the future. The maturity profile of financial instruments is set out below:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Non-maturity items
At December 31, 2019	Rs.	Rs.	Rs.	Rs.
Financial assets				
Financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**29,607,742**
Trade receivables	**5,084,507**	**-**	**-**	**-**
Financial assets at amortised cost	**6,320,687**	**1,280,847**	**4,163,575**	**-**
Cash and cash equivalents	**105,036,197**	**-**	**-**	**-**
	116,441,391	**1,280,847**	**4,163,575**	**29,607,742**
Financial liabilities				
Trade and other payables	**90,813,775**	**-**	**-**	**-**
Lease liability	**1,055,320**	**1,115,958**	**2,535,143**	**-**
	91,869,095	**1,115,958**	**2,535,143**	**-**
At December 31, 2018	Rs.	Rs.	Rs.	Rs.
Financial assets				
Financial assets at fair value through other comprehensive income	-	-	-	28,429,763
Trade receivables	4,596,985	-	-	-
Financial assets at amortised cost	6,703,077	-	-	-
Cash and cash equivalents	45,809,133	-	-	-
	57,109,195	-	-	28,429,763
Financial liability				
Trade and other payables	32,932,399	-	-	-
	32,932,399	-	-	-

(e) **Interest rate risk**

The Company has no significant interest-bearing liabilities. The Company's interest-rate risk arises mainly from its saving and current accounts which earn floating interest rates. At December 31, 2019, if interest rates on saving accounts had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been Rs.15,601 (2018: Rs.18,526) higher/lower.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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 trade 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.

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.

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.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Fair value of financial assets not quoted in an active market

The fair value of financial assets not quoted in an active market may be determined by the Company using valuation techniques including third party transaction values, earnings net asset value or discounted cash flows, whichever is considered to be appropriate. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impact should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(d) **Asset lives and residual values**

Plant and equipment items are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing assets lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Considerations is also given to the extend of current profits and losses on the disposal of similar assets.

(e) **Depreciation policies**

Plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from disposal of the asset if the asset was already of the age and in the condition expected at the end of its useful life.

The directors therefore make estimates based in historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) **Pension benefits**

The present value of pension obligations depends on a number of factors that are determined on an acturial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligations.

Other key assumption for pension obligations are based in part on the current market conditions. Additional information is disclosed in note 21.

5. REVENUE

	2019	2018
	Rs.	Rs.
Brokerage fees	**18,057,932**	23,276,710
Others	**7,725,483**	891,112
	25,783,415	24,167,822

The following is an analysis of the Company's revenue for the year	**2019**	2018
	Rs.	Rs.
Revenue from rendering of services	**25,783,415**	24,167,822

(a) Disagreggation of revenue from contracts with customers.

Timing of revenue recognition	**2019**	2018
	Rs.	Rs.
At a point in time	**25,783,415**	24,167,822

6. OTHER INCOME

	2019	2018
	Rs.	Rs.
Interest income (note a)	**311,800**	270,241
Dividend income	**1,310,708**	1,186,083
Others	**269,119**	786,883
	1,891,627	2,243,207

(a) Total interest income on financial assets that are measured at amortised cost for the year was Rs.28,583 (2018: Rs.Nil).

7. ADMINISTRATIVE EXPENSES

		Restated
	2019	2018
	Rs.	Rs.
Depreciation on plant and equipment (note 12)	**147,293**	162,767
Depreciation on right-of-use asset (note 13)	**1,030,947**	-
Amortisation of intangible assets (note 14)	**55,681**	111,361
Employee benefit expense (note 9(b))	**9,701,537**	12,411,057
Advertising and marketing	**153,749**	503,663
Management fees	**7,306,367**	7,521,677
Rent and rates	**107,672**	1,289,643
Other expenses	**3,573,382**	2,889,936
Total administrative expenses	**22,076,628**	24,890,104

8. FINANCE (INCOME)/COST

	2019	2018
	Rs.	Rs.
Interest expense:		
- Bank overdraft	**217**	431
- Lease liability	**267,469**	-
- Other interest expense	**839,731**	32,019
	1,107,417	32,450
Net foreign exchange transaction (income)/expense	**(1,221,060)**	150,362
	(113,643)	182,812

All foreign exchange transaction gains and losses have been included in net finance (income)/cost.

9. PROFIT BEFORE TAXATION

		2019	Restated 2018
		Rs.	Rs.
(a)	Profit before taxation is arrived at after:		
	Crediting:		
	Dividends from equity investments held at FVOCI:		
	- related to investments derecognised during the year	**38,523**	75,868
	- related to investments held at the end of the reporting year	**1,272,185**	1,110,215
	(charging):		
	Depreciation on plant and equipment (note 12)	**(147,293)**	(162,767)
	Depreciation on right-of-use asset (note 13)	**(1,030,947)**	-
	Amortisation on intangible assets (note 14)	**(55,681)**	(111,361)
	Employee benefit expense (note 9(b))	**(9,701,537)**	(12,411,057)

(b) Employee benefit expense

	2019	Restated 2018
	Rs.	Rs.
Wages and salaries	**8,151,157**	10,908,999
Social security costs	**760,717**	802,984
Pension costs - defined contribution plan	**289,667**	242,667
Pension costs - defined benefit plan (note 21)	**499,996**	456,407
	9,701,537	12,411,057

10. INCOME TAX EXPENSE

		2019	Restated 2018
		Rs.	Rs.
(a)	Current tax liability at 15% (2018: 15%)	**832,507**	145,148
	Deferred tax (note 16)	**(71,112)**	(69,274)
	Underprovision in prior years	**103,545**	62,321
	Corporate Social Responsibility liability	**111,001**	164,312
		975,941	302,507

10. INCOME TAX EXPENSE (CONT'D)

(b) 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	Restated 2018
	Rs.	Rs.
Profit before tax	**5,712,057**	1,338,113
Tax calculated at a rate of 15% (2018: 15%)	**856,809**	200,717
Expenses not deductible for tax purposes	**400,625**	80,952
Income not subject to tax	**(496,039)**	(205,795)
Corporate Social Responsibility liability	**111,001**	164,312
Underprovision in prior years	**103,545**	62,321
Tax charge	**975,941**	302,507

(c) Current tax liability/(asset)

	2019	Restated 2018
At January 1,	**(119,565)**	438,991
Refund of tax received during the year	**16,020**	-
Underprovision in prior years	**103,545**	62,321
Charge for the year	**832,507**	145,148
Payment under Advance Payment System	**(41,045)**	(720,000)
Payment made for share of Interest	**(5,063)**	-
Corporate Social Responsibility liability	**111,001**	164,312
Corporate Social Responsibility tax paid in advance	**(13,395)**	(210,337)
At December 31,	**884,005**	(119,565)

11. EARNINGS PER SHARE

	2019	Restated 2018
	Rs.	Rs.
Profit for the year	**4,736,116**	1,035,606
No of ordinary shares in issue	**1,000,000**	1,000,000
Earnings per share	**4.74**	1.04

12. PLANT AND EQUIPMENT

		Office Equipment	Furniture & Fittings	Total
(a) COST		Rs.	Rs.	Rs.
At January 1, 2018		3,067,374	1,519,154	4,586,528
Additions		148,121	-	148,121
At December 31, 2018		3,215,495	1,519,154	4,734,649
Additions		35,938	-	35,938
At December 31, 2019		**3,251,433**	**1,519,154**	**4,770,587**
DEPRECIATION				
At January 1, 2018		2,862,281	1,477,404	4,339,685
Charge for the year		149,214	13,553	162,767
At December 31, 2018		3,011,495	1,490,957	4,502,452
Charge for the year		135,330	11,963	147,293
At December 31, 2019		**3,146,825**	**1,502,920**	**4,649,745**
NET BOOK VALUES				
At December 31, 2019	Rs	**104,608**	**16,234**	**120,842**
At December 31, 2018	Rs	204,000	28,197	232,197

(b) Depreciation charge of Rs.147,293 (2018: Rs.162,767) has been included in administrative expenses.

13. RIGHT-OF-USE ASSET

	Building
	Rs.
At January 1, 2019	5,623,346
Depreciation	(1,030,947)
At December 31, 2019	**4,592,399**

(a) Depreciation charge of Rs.1,030,947 has been included in administrative expenses.

13A. LEASE LIABILITY

	Building
	Rs.
At January 1, 2019	5,623,346
Interest expense	267,469
Lease payments	(1,184,394)
At December 31, 2019	**4,706,421**
Current	1,055,320
Non current	3,651,101
	4,706,421

The Company leases the property in the jurisdiction from which it operates. There are no variable lease payments, extension and termination options included in the lease agreement.

13A. LEASE LIABILITY (CONT'D)

(a) **Lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

(b)

	2019
	Rs.
Interest expense (included in finance cost)	267,469

The total cash outflow for leases in 2019 was Rs.1,184,394.

14. INTANGIBLE ASSETS

	Computer software
	Rs.
(a) **COST**	
At December 31, 2018 and 2019	659,186
AMORTISATION	
At January 1, 2018	492,144
Charge for the year	111,361
At December 31, 2018	603,505
Charge for the year	55,681
At December 31, 2019	**659,186**
NET BOOK VALUES	
At December 31, 2019	**-**
At December 31, 2018	55,681

(b) Amortisation charge of Rs.55,681 (2018: Rs.111,361) has been included in administrative expenses.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income	**2019**	2018
	Rs.	Rs.
At January 1	**28,429,763**	28,210,809
Additions	**69,415,060**	26,565,631
Disposals	**(70,159,691)**	(24,766,671)
Change in fair value recognised in OCI	**1,922,610**	(1,580,006)
At December 31	**29,607,742**	28,429,763
Less current portion	**-**	-
Non-current portion	**29,607,742**	28,429,763

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(ii) Fair value through other comprehensive income financial assets include the following:

	2019	2018
	Rs.	Rs.
Quoted:		
Equity securities - Mauritius	**29,211,394**	27,029,627
Equity securities - Europe	**-**	984,124
Equity securities - United State of America	**-**	52,597
Unquoted:		
Equity securities - Mauritius	**34,992**	58,525
Equity securities - South Africa	**361,356**	304,890
	29,607,742	28,429,763

(iii) Financial assets measured at fair value through other comprehensive income include the Company's strategic equity investments not held for trading. The Company has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. The current portion relates to those assets the Company expects to sell within the next 12 months.

(iv) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on the net asset basis.

(v) Fair value through other comprehensive income financial assets include the following:

	2019	2018
Quoted:	**Rs.**	Rs.
Lottotech Ltd	**1,720,000**	1,860,000
MCB Group Ltd	**16,033,578**	12,601,680
Omnicane Limited	**304,622**	514,254
Policy	**886,813**	1,016,590
State Bank Mauritius Holding	**8,373,810**	7,749,675
SBM Holdings Ltd Class A2 Series Bond	**-**	1,059,998
Terra Mauricia Ltd	**880,980**	969,078
Other miscellaneous	**1,011,592**	2,295,073
Unquoted:		
Other miscellaneous	**396,348**	363,415
	29,607,742	28,429,763

(vi) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	2019	2018
	Rs.	Rs.
Mauritian Rupee	**29,246,386**	27,088,152
South African Rand	**361,356**	304,890
US Dollar	**-**	1,036,721
	29,607,742	28,429,763

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)

(vii) Impairment and risk exposure

No loss allowance was recognised as at December 31, 2019.

(viii) Disposal of equity investments

During the year, the Company sold its shares as a result of favourable market condition. The shares sold had a fair value of Rs.70,159,691 and the Company realised a gain of Rs.248,203 which had already been included in OCI. This gain has been transferred to retained earnings.

16. DEFERRED TAX ASSETS

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2018: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

	2019	Restated 2018
	Rs.	Rs.
Deferred tax assets	**1,473,308**	733,761
Deferred tax liabilities	**(780,708)**	-
	692,600	733,761

(b) The movement on the deferred income tax account is as follows:

	2019	Retsated 2018
	Rs.	Rs.
At January 1,		
- As previously reported	**96,169**	66,404
- Effect of adopting IFRS 16 (note 28)	**-**	-
- Prior year adjustment (note 29)	**637,592**	522,695
- As restated	**733,761**	589,099
Credited to profit or loss (note 10)	**71,112**	69,274
(Charged)/credited to other comprehensive income	**(112,273)**	75,388
At December 31,	**692,600**	733,761

16. **DEFERRED TAX ASSETS (CONT'D)**

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) Deferred tax liabilities:

	Right-of-use asset	Total
	Rs.	Rs.
At January 1, 2018	-	-
Credited to profit loss	-	-
At December 31, 2018 & January 1, 2019	-	-
Effect of adopting IFRS 16	955,969	955,969
At January 1, 2019 (as restated)	955,969	955,969
Credited to profit loss	(175,261)	(175,261)
At December 31, 2019	**780,708**	**780,708**

(ii) Deferred tax assets:

	Accelerated tax depreciation	Retirement benefit obligations	Lease liabilities	Total
		Rs.	Rs.	Rs.
At January 1, 2018				
- As previously reported	66,404	-	-	66,404
- Prior year adjustment (note 29)	-	522,695	-	522,695
- As restated	66,404	522,695	-	589,099
Credited to profit or loss (restated)	29,765	39,509	-	69,274
Credited to other comprehensive income (restated)	-	75,388	-	75,388
At December 31, 2018 & January 1, 2019	96,169	637,592	-	733,761
- Effect of adopting IFRS 16	-	-	955,969	955,969
At January 1, 2019 (as restated)	96,169	637,592	955,969	1,689,730
Credited to profit loss	7,869	43,859	(155,877)	(104,149)
Charged to other comprehensive income	-	(112,273)	-	(112,273)
At December 31, 2019	**104,038**	**569,178**	**800,092**	**1,473,308**

17. **TRADE RECEIVABLES**

	2019	2018
	Rs.	Rs.
Trade receivables	**5,084,507**	4,596,985

(i) *Impairment of trade receivables*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Company did not acount for any loss allowances as at December 31, 2019 and in the previous year.

17. TRADE RECEIVABLES (CONT'D)

(ii) The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2019	2018
	Rs.	Rs.
Mauritian Rupee	**5,084,117**	4,596,985
US Dollar	**390**	-
	5,084,507	4,596,985

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

18. FINANCIAL ASSETS AT AMORTISED COST

	2019		2018	
	Rs.	**Rs.**	Rs.	Rs.
	Current	**Non-current**	Current	Non-current
CDS Guarantee Fund	**946,813**	**-**	918,121	-
Other receivables (see note (a))	**5,373,874**	**5,444,422**	5,784,956	-
	6,320,687	**5,444,422**	6,703,077	-

(a) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Company. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within 6 years from the end of the reporting period (2018 - nil).

(b) The fair values are not significantly different to their carrying value.

(c) There is no loss allowance on the financial assets at amortised cost as at December 31, 2019 (2018: nil).

(d) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	2019	2018
	Rs.	Rs.
Mauritian Rupee	**2,410,528**	1,459,992
US Dollar	**-**	1,623,921
Seychelles Rupee	**3,910,159**	3,619,164
	6,320,687	6,703,077

19. OTHER ASSETS

	2019	2018
	Rs.	Rs.
Prepayments	**605,944**	548,927

20. SHARE CAPITAL

	2019		2018	
	Number of shares	**Amount**	Number of shares	Amount
		Rs.		Rs.
Issued share capital				
At January 1 and December 31	**1,000,000**	**10,000,000**	1,000,000	10,000,000

Ordinary shares

On April 29th, 2016, pursuant to Rule 14 of the Securities (Licensing) Rule 2017, the Company made a bonus issue of 900,000 equivalent to an amount of Rs.9,000,000 to its sole shareholder, Swan Financial Solutions Ltd. The total authorised number of ordinary share is 1,000,000 shares (2018: 1,000,000 shares) with a par value of Rs.10 per share (2018: Rs.10 per share). All issued shares are fully paid.

Redeemable preference shares

The total authorised number of redeemable preference share is 50,000 shares (2018: 50,000 shares) with a par value of Rs.10 per share (2018: Rs.10 per share). Redeemable preference shares have not yet been issued.

21. RETIREMENT BENEFIT OBLIGATIONS

	2019	Restated 2018
	Rs.	Rs.
Amount recognised in the statement of financial position:		
Defined pension benefits (note (a))	**850,104**	1,193,540
Other post retirement benefits (note (b))	**2,498,000**	2,557,000
	3,348,104	3,750,540
Analysed as follows:		
Non-current liabilities	**3,348,104**	3,750,540
Amount charged to profit or loss:		
Defined pension benefits (note (a))	**179,996**	165,407
Other post retirement benefits (note (b))	**320,000**	291,000
	499,996	456,407
Amount (credited)/charged to other comprehensive income:		
Defined pension benefits (note (a))	**(281,432)**	183,458
Other post retirement benefits (note (b))	**(379,000)**	260,000
	(660,432)	443,458

(a) Defined pension benefits

The plan is a defined benefit top-up arrangement, whereby ex-CIM employees who are members of the Rogers Money Purchase Retirement Fund receive a top-up to their defined contribution benefit at normal retirement age to ensure that the pension they will receive is at least as much as the pension they would have received under the previous defined benefit plan rules.

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(i) ***The amounts recognised in the statement of financial position in respect of funded obligation are as follows:***

	2019	Restated 2018
	Rs.	Rs.
Fair value of plan assets	**(2,062,000)**	(1,687,000)
Defined benefit obligation	**2,912,104**	2,880,540
Employee benefit liability	**850,104**	1,193,540

(ii) ***Movement in the liability recognised in the statement of financial position:***

	2019	Restated 2018
	Rs.	Rs.
At January 1,		
- As previously reported	**-**	-
- Prior year adjustment (note 29)	**1,193,540**	1,068,675
- As restated	**1,193,540**	1,068,675
Amount recognised in profit or loss	**179,996**	165,407
Amount recognised in other comprehensive income	**(281,432)**	183,458
Employer's contributions	**(242,000)**	(224,000)
At December 31,	**850,104**	1,193,540

	2019	Restated 2018
	Rs.	Rs.
Current service cost	**118,861**	117,573
Net interest cost	**61,135**	47,834
Net benefit expense	**179,996**	165,407

(iv) ***The amounts recognised in the statement of other comprehensive income are as follows:***

	2019	Restated 2018
	Rs.	Rs.
Gains on pension scheme assets	**(29,944)**	-
Assumptions (gains)/losses on the liabilities	**(251,488)**	183,458
	(281,432)	183,458

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(v) ***Reconciliation of the present value of defined benefit obligation:***

	2019	Restated 2018
	Rs.	Rs.
Present value of obligation at January 1,		
- As previously reported	**-**	-
- Prior year adjustment (note 29)	**2,880,540**	2,456,675
- As restated	**2,880,540**	2,456,675
Current service cost	**118,861**	117,573
Interest cost	**164,191**	122,834
Actuarial (gains)/losses	**(251,488)**	183,458
Present value of obligation at December 31,	**2,912,104**	2,880,540

(vi) ***Reconciliation of fair value of plan assets:***

	2019	Restated 2018
	Rs.	Rs.
Fair value of plan assets at January 1,		
- As previously reported	**-**	-
- Prior year adjustment (note 29)	**1,687,000**	1,388,000
- As restated	**1,687,000**	1,388,000
Expected return on plan assets	**103,056**	75,000
Employer's contributions	**242,000**	224,000
(Gains)/losses on pension scheme assets	**29,944**	-
Fair value of plan assets at December 30,	**2,062,000**	1,687,000

The assets of the plan are invested in a combination of 60% growth assets (equities, property and alternative investments) and 40% matching assets (fixed income and cash).

The actual return on the plan assets was Rs.133,000 (2018: Rs.75,000) for the current financial year.

(vii) ***The principal actuarial assumptions used for accounting purposes were:***

	2019	2018
Discount rate	**4.70%**	5.70%
Expected return on plan assets	**4.70%**	5.70%
Salary increase	**4.00%**	5.50%
Guaranteed pension increases	**3.00%**	3.00%
Post retirement annuity rates	**Rates 2019**	Rates 2018

(viii) ***Sensitivity analysis on defined benefits obligations at end of the reporting period***

	2019	2018
	Rs.	Rs.
Impact on present value of defined benefit obligation:		
Decrease due to 1% increase in discount rate	**239,065**	236,474
Increase due to 1% increase in salary increase assumption	**251,853**	249,123

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(vii) ***The principal actuarial assumptions used for accounting purposes were: (cont'd)***

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

(ix) The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk.

(x) Swan Securities Ltd is expected to make contributions of around Rs 0.2m to the pension scheme for the year ending 31/12/2020.

(xi) The weighted average duration of the defined benefit obligation is 5 years at the end of the reporting period (2018: 6 years).

(b) Other post retirement benefits

Other post retirement benefits comprise of residual retirement gratuities.

(i) ***The amounts recognised in the statement of financial position in respect of funded obligation are as follows:***

	2019	Restated 2018
	Rs.	Rs.
Defined benefit obligation	**2,498,000**	2,557,000
Employee benefit liability	**2,498,000**	2,557,000

(ii) ***Movement in the liability recognised in the statement of financial position:***

	2019	Restated 2018
	Rs.	Rs.
At January 1,		
- As previously reported	**-**	-
- Prior year adjustment (note 29)	**2,557,000**	2,006,000
- As restated	**2,557,000**	2,006,000
Amount recognised in profit or loss	**320,000**	291,000
Amount recognised in other comprehensive income	**(379,000)**	260,000
At December 31,	**2,498,000**	2,557,000

(iii) ***The amounts recognised in the statement of profit or loss are as follows:***

	2019	Restated 2018
	Rs.	Rs.
Current service cost	**187,000**	191,000
Interest on net defined benefit liability	**133,000**	100,000
Net benefit expense	**320,000**	291,000

21. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

(iv) ***The amounts recognised in the statement of other comprehensive income are as follows:***

	2019	Restated 2018
	Rs.	Rs.
Liability experience (gain)/loss due to change in financial assumptions	**(379,000)**	260,000
	(379,000)	260,000

(v) ***Reconciliation of the present value of defined benefit obligation:***

	2019	Restated 2018
Present value of obligation at January 1,	**Rs.**	Rs.
- As previously reported	**-**	-
- Prior year adjustment (note 29)	**2,557,000**	2,006,000
- As restated	**2,557,000**	2,006,000
Current service cost	**187,000**	191,000
Interest cost	**133,000**	100,000
Actuarial (gains)/losses	**(379,000)**	260,000
Present value of obligation at December 31,	**2,498,000**	2,557,000

(vi) ***The principal actuarial assumptions used for accounting purposes were:***

	2019	2018
Discount rate	**4.70%**	5.20%
Salary increase	**4.00%**	5.00%
Average retirement age	**60**	60
Post retirement annuity rates	**Current Swan/RMPRF Rates**	Current Swan/RMPRF Rates

(vii) ***Sensitivity analysis on defined benefits obligations at end of the reporting period***

	2019	2018
	Rs.	Rs.
Impact on present value of defined benefit obligation:		
Increase due to 1% decrease in discount rate	**460,000**	471,000
Decrease due to 1% increase in discount rate	**382,000**	391,000

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(viii) The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (premium) risk.

(ix) The weighted average duration of the defined benefit obligation is 12 years at the end of the reporting period (2018: 12 years).

22. TRADE AND OTHER PAYABLES

	2019	2018
	Rs.	Rs.
Trade payables	60,414,059	10,804,040
Amount due to ultimate holding company (note 31)	4,387,354	4,196,392
Amount due to intermediate holding company (note 31)	20,033,861	12,002,016
Amount due to related parties (note 31)	349,161	899,953
Accrued expenses	720,490	1,601,320
Other payables	4,908,850	3,428,678
	90,813,775	32,932,399

(a) The carrying amounts of trade and other payables approximate their fair value.

(b) The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	2019	2018
	Rs.	Rs.
Mauritian Rupee	86,740,578	29,081,744
US Dollar	4,073,197	3,850,655
	90,813,775	32,932,399

23. DIVIDENDS

	2019	2018
	Rs.	Rs.
Amount recognised as distributions to equityholders in the year:		
Final dividend paid of Rs.Nil (2018: Rs.5) per share	-	5,000,000

24. NOTES TO THE STATEMENT OF CASH FLOWS

	2019	Restated 2018
(a) Cash generated from operations	Rs.	Rs.
Profit before taxation	5,712,057	1,338,113
Adjustments for:		
Depreciation on plant and equipment	147,293	162,767
Depreciation of right-of-use asset	1,030,947	-
Amortisation of intangible assets	55,681	111,361
Interest income	(311,800)	(270,241)
Dividends from equity investments held at FVTOCI:		
- related to investments derecognised during the year	(38,523)	(75,868)
- related to investments held at the end of the reporting year	(1,272,185)	(1,110,215)
Interest expense	1,107,417	32,450
Increase in provision for retirement benefit obligation	257,996	232,407
Changes in working capital:		
- trade receivables	(487,522)	13,188,459
- financial assets at amortised cost	(5,062,032)	(6,703,077)
- other assets	(57,017)	(548,927)
- trade and other payables	57,881,376	(8,361,271)
Cash generated from/(used in) operations	58,963,688	(2,004,042)

24. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(b) Non cash transactions

The principal non cash transaction is the acquisition of right-of-use assets (note 13).

(c) Reconciliation of liability arising from financing activities

	2018	Recognised on adoption of IFRS 16	Cash flows	2019
	Rs.	Rs.	Rs.	Rs.
Lease liability	-	5,623,346	(916,925)	4,706,421

(d) Cash and cash equivalents

	2019	2018
	Rs.	Rs.
Cash in hand and at bank	**105,036,197**	45,809,133

Included in cash and cash equivalent are client monies amounting to Rs.60,412,689 (2018: Rs.12,104,839).

While cash and cash equivalent are also subject to the impairment requirements of IFRS 9, no impairment loss was recognised during the year.

(e) Currency profile

	2019	2018
	Rs.	Rs.
Mauritian Rupee	**50,515,627**	39,372,777
US Dollar	**53,557,308**	4,351,839
Euro	**583,893**	526,817
Great Britain Pound	**353,471**	1,531,670
South African Rand	**25,898**	26,030
	105,036,197	45,809,133

25. OPERATING LEASE COMMITMENTS

(a) The future aggregate minimum lease payments under non-cancellable operating lease in respect of leasehold property are as follows:

	2018
	Rs.
Not later than one year	93,628

26. CONTINGENT LIABILITIES

	2019	2018
	Rs.	Rs.
Bank guarantees and letter of credits	**15,100,000**	17,100,000

26. CONTINGENT LIABILITIES (CONT'D)

At December 31, 2019, Swan Life Ltd has given corporate guarantees amounting to Rs.12,600,000 on behalf of the Company.

The Company has letter of credits facility amounting to Rs.2,500,000 as security in favour of the Central Depository & Settlement Co Ltd (CDS) in the ordinary course of business.

27. HOLDING COMPANY

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

28. CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements - IFRS 16

The Company adopted IFRS 16 with a transition date of January 1, 2019. The Company has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. January 1, 2019) and to be recognised in the opening equity balances. There is no adjustment at January 01, 2019.

Effective January 1, 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have leasing activities acting as a lessor.

<u>Transition Method and Practical Expedients Utilised</u>

The Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (January 1, 2019), without restatement of comparative figures. The Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

(a) The Company has only one lease and has used the current market prime lending rate as discount rate;

(b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;

28. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(a) Impact on the financial statements - IFRS 16 (cont'd)

Transition Method and Practical Expedients Utilised (cont'd)

(c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and

(d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Company previously classified leases as operating leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use asset and lease liability for its lease.

On adoption of IFRS 16, the Company recognised right-of-use assets and lease liabilities are as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
All other operating leases	Office space: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.	Measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 5.60%.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at January 1, 2019:

	Adjustments	December 31, 2018 As originally Presented	IFRS 16	January, 1 2019
		Rs.	Rs.	Rs.
Assets				
Right-of-use asset	(i)	-	5,623,346	5,623,346
Deferred tax liabilities	(ii)	-	955,969	955,969
Liability				
Lease liability	(iii)	-	5,623,346	5,623,346
Deferred tax assets	(ii)	-	955,969	955,969

28. CHANGES IN ACCOUNTING POLICIES (CONT'D)

(a) Impact on the financial statements - IFRS 16 (cont'd)

(i) The adjustment to right-of-use asset is as follows:

	Rs.
Operating type lease	5,623,346
Right-of-use asset	5,623,346

(ii) Deferred tax assets and liabilities were adjusted to reflect the tax effect of the other adjustments recorded.

(iii) The following table reconciles the minimum lease commitments disclosed in the Company's December 31, 2018 annual financial statements to the amount of lease liabilities recognised on January 1, 2019:

	January 1, 2019
	Rs.
Minimum operating lease commmitment at December 31, 2018	6,460,320
Undiscounted lease payments	6,460,320
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(836,974)
Lease liability for lease classified as operating type under IAS 17	5,623,346
Plus: lease previously classified as finance type under IAS 17	-
Lease liability as at January 1, 2019	5,623,346
Of which are:	
Current lease liability	916,925
Non-current lease liability	4,706,421
	5,623,346

29. PRIOR YEAR ADJUSTMENTS

Prior year adjustment is in respect of adjustment made to the retirement benefit plans as disclosed in note 21. The adjustments and the corresponding impact on deferred tax have been recognised with retrospective effect and comparative figure have been restated accordingly.

The effect on the statement of financial position are as follows:

	Retirement benefit obligations	Deferred tax assets	Retained earnings	Actuarial losses
	Rs.	Rs.	Rs.	Rs.
Balance as reported at January 01, 2018				
- as previously reported	-	66,404	48,838,491	-
- prior year adjustment	3,074,675	522,695	(2,551,980)	-
- as restated	3,074,675	589,099	46,286,511	-

29. PRIOR YEAR ADJUSTMENTS (CONT'D)

	Retirement benefit obligations	Administrative expenses	Deferred tax assets	Retained earnings	Actuarial losses
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as reported at December 31, 2018					
- as previously reported	-	(24,657,697)	96,169	46,425,809	-
- prior year adjustment	3,750,540	(232,407)	637,592	(2,744,878)	(368,070)
- as restated	3,750,540	(24,890,104)	733,761	43,680,931	(368,070)

The effect on the statement of profit or loss and other comprehensive income is as follows:

	2018
	Rs.
Decrease in administrative expenses	(232,407)
Increase in income tax expense	39,509
Decrease in profit for the year	(192,898)
Effect on earnings per share	(0.19)

30. EVENTS AFTER REPORTING PERIOD

COVID-19

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 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.

31. RELATED PARTY TRANSACTIONS

(a) **Trading transactions**	**Purchase of goods or services**	**Sales of goods or services**	**Management fees**	**Amount owed from related parties**	**Amount owed to related parties**	**Lease liability**	**Interest expense**	**Dividend paid**
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
2019								
Ultimate holding company	**1,034,577**	**-**	**-**		**4,387,354**	**4,706,421**	**267,469**	**-**
Intermediate holding company	**614,163**	**266,641**	**7,306,367**	**-**	**20,033,861**	**-**	**-**	**-**
Other related companies	**182,454**	**30,991**	**-**	**10,969**	**349,161**	**-**	**-**	**-**
	1,831,194	**297,632**	**7,306,367**	**10,969**	**24,770,376**	**4,706,421**	**267,469**	**-**
2018								
Ultimate holding company	2,439,069	40,200	-	-	4,196,392	-	-	-
Intermediate holding company	80,605	469,501	7,521,677	-	12,002,016	-	-	
Holding company	-	-	-	-	-	-	-	5,000,000
Other related companies	569,974	554,481	-	-	899,953	-	-	-
	3,089,648	1,064,182	7,521,677	-	17,098,361	-	-	5,000,000

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

(c) Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash.

(d) No provisions have been made in respect of amount due by related parties.

(e) **Key management personnel compensation**	**2019**	2018
	Rs.	Rs.
Salaries and short term employee benefits	**2,229,478**	2,869,326
Post-employment benefits	**35,434**	266,147
	2,264,912	3,135,473