

Condensed Audited Financial Statements - Year Ended December 31, 2020

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the year ended December 31, 2020, as audited by KPMG.

(a) Basis of accounting

The condensed audited financial statements have been extracted from the audited financial statements for the year ended December 31, 2020 which have been prepared using the same accounting policies as set out in the audited financial statements for the year ended December 31, 2020.

(b) Operations

Short Term

Despite the challenging economic environment following the COVID-19 pandemic, the gross written premium for short-term business grew by 3% to reach MUR 3.05bn. The Company posted an improved net underwriting surplus of MUR 639m for 2020, attributable to an optimisation exercise in respect of some classes of business. The operations profits achieved are in line with expectations.

Long Term

Gross premium income has decreased by 3% compared to last year, mainly because of a reduction in new business attributable to the economic slowdown in the context of the Covid-19 pandemic.

(c) Investments

Our investment fund closed higher over the quarter as both the local and international equity portfolios made strong gains. On the international side, equities were boosted by the victory of a Democrat at the White

House which triggered hopes for an easing in international affairs, as well as the emergence of an effective COVID-19 vaccine. The local stock market followed its international counterpart higher as news of the COVID-19 vaccine led investors to anticipate a boost to economic activity.

On the fixed income front, despite the persistently high excess liquidity in the financial system and very low yields, our portfolio delivered satisfactory returns on the back of our active management.

The COVID-19 pandemic continues to pose a serious public health threat worldwide and, like other countries, the Mauritian economy has been severely impacted by weaker economic activity across major sectors. With many countries facing another wave of the virus, establishing the full social and economic impact of the COVID, as well as estimating how long it will take our economy to recover to pre-COVID level, is at the least a complicated exercise. However, the emergence of different COVID vaccines and mass vaccination campaigns worldwide should help to re-activate economic activity and social life. The Minister of Finance and Economic Development has announced in his 2021/2022 budget that as from 15th July 2021, Mauritius would gradually open up to vaccinated tourists subject to certain conditions.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
July 08, 2021

1. Statements of Financial Position

	THE GROUP			THE COMPANY		
	Dec 31, 2020	Dec 31, 2019 Restated	Jan 1, 2019 Restated	Dec 31, 2020	Dec 31, 2019 Restated	Jan 1, 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS						
Non-current assets						
Property and equipment	384,809	406,064	421,797	75,399	85,360	95,118
Investment properties	425,317	433,191	478,896	-	-	-
Investments in subsidiary companies	-	-	-	565,874	557,087	530,871
Investments in associated companies and joint venture	162,343	163,793	153,753	102,641	34,509	34,509
Available-for-sale financial assets	25,094,238	26,395,052	23,246,146	1,736,799	1,467,509	1,257,439
Held-to-maturity financial assets	11,508,757	11,907,795	11,758,746	202,806	217,299	244,573
Loans and receivables	5,819,741	4,338,413	4,080,404	86,117	99,233	112,205
Non-current receivables	7,594	5,444	-	-	47,036	79,174
Other non-current assets	227,603	234,197	198,171	111,272	100,432	65,536
Total non-current assets	43,630,402	43,883,949	40,337,913	2,880,908	2,608,465	2,419,425
Current assets	10,234,945	9,919,553	8,210,440	2,676,857	3,166,576	2,804,489
Total assets	53,865,347	53,803,502	48,548,353	5,557,765	5,775,041	5,223,914
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	41,379	41,379	41,379	41,379	41,379	41,379
Reserves	3,717,704	3,424,947	2,860,096	2,452,152	2,472,993	2,196,743
Attributable to owners of the parent	3,759,083	3,466,326	2,901,475	2,493,531	2,514,372	2,238,122
Non-controlling interests	489,496	415,655	363,612	-	-	-
Total equity	4,248,579	3,881,981	3,265,087	2,493,531	2,514,372	2,238,122
Life Assurance Fund	45,084,339	45,166,453	41,064,790	-	-	-
Technical Provisions	2,675,833	2,454,862	2,644,434	2,159,659	1,984,601	2,104,111
Non-current liabilities	592,898	465,932	450,522	360,916	300,507	306,188
	48,353,070	48,087,247	44,159,746	2,520,575	2,285,108	2,410,299
Current liabilities	1,263,698	1,834,274	1,123,520	543,659	975,561	575,493
Total equity and liabilities	53,865,347	53,803,502	48,548,353	5,557,765	5,775,041	5,223,914
Net assets per share (Rs/cs)	454.23	418.85	350.60	301.31	303.82	270.44
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769

2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019 Restated	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Gross written premiums	8,031,890	8,012,997	3,051,387	2,953,907
Net earned premiums	6,863,661	6,310,059	2,297,335	1,546,533
Share of results of associated companies and joint venture	38,168	27,000	-	-
Profit before taxation	792,978	717,413	295,216	316,019
Income tax expense	(27,865)	(56,611)	(16,541)	(19,959)
Profit for the year	765,113	660,802	278,675	296,060
Other comprehensive income for the year, net of tax	(234,367)	119,105	(180,345)	99,361
Total comprehensive income for the year	530,746	779,907	98,330	395,421
Profit for the year attributable to:				
Owners of the parent	636,232	565,837	278,675	296,060
Non-controlling interests	128,881	94,965	-	-
	765,113	660,802	278,675	296,060
Total comprehensive income for the year attributable to:				
Owners of the parent	406,041	684,670	98,330	395,421
Non-controlling interests	124,705	95,237	-	-
	530,746	779,907	98,330	395,421
Earnings per share (Rs/cs)	76.88	68.37	33.67	35.77
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

3. Statements of Changes in Equity

	Attributable to owners of the parent								
	Share Capital Rs'000	Fair Value Reserve Rs'000	Other Reserves Rs'000	Retained Earnings Rs'000	Amalgamation Reserve Rs'000	Actuarial reserve Rs'000	Total owners' interest Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP									
Balance at January 1, 2020									
- As previously stated	41,379	301,372	30,350	2,938,306	267,477	(97,250)	3,481,634	415,655	3,897,289
- Prior year adjustments	-	-	-	(15,308)	-	-	(15,308)	-	(15,308)
Restated balance at January 1, 2020	41,379	301,372	30,350	2,922,998	267,477	(97,250)	3,466,326	415,655	3,881,981
Profit for the year	-	-	-	636,232	-	-	636,232	128,881	765,113
Other comprehensive income for the year	-	(155,804)	(33,819)	-	-	(40,568)	(230,191)	(4,176)	(234,367)
Effect of reduction of minority interest in associate	-	-	-	6,034	-	-	6,034	(6,034)	-
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	-	(33)	-	-	(33)	(207)	(240)
Other movement	-	(167)	466	(413)	-	-	(114)	-	(114)
Dividends	-	-	-	(119,171)	-	-	(119,171)	(44,623)	(163,794)
Balance at December 31, 2020	41,379	145,401	(3,003)	3,445,647	267,477	(137,818)	3,759,083	489,496	4,248,579
At January 1, 2019,									
- As previously stated	41,379	192,907	28,325	2,480,928	267,477	(105,593)	2,905,423	363,612	3,269,035
- Prior year adjustments	-	-	-	(3,948)	-	-	(3,948)	-	(3,948)
Restated balance at January 1, 2019	41,379	192,907	28,325	2,476,980	267,477	(105,593)	2,901,475	363,612	3,265,087
Profit for the year - restated	-	-	-	565,837	-	-	565,837	94,965	660,802
Other comprehensive income for the year	-	108,465	2,025	-	-	8,343	118,833	272	119,105
Effect on issue of shares	-	-	-	(648)	-	-	(648)	648	-
Other movement	-	-	-	-	-	-	-	688	688
Dividends	-	-	-	(119,171)	-	-	(119,171)	(44,530)	(163,701)
Balance at December 31, 2019	41,379	301,372	30,350	2,922,998	267,477	(97,250)	3,466,326	415,655	3,881,981
(b) THE COMPANY									
Balance at January 1, 2020									
- As previously stated	41,379	261,886	43,099	2,055,767	220,593	(93,044)	2,529,680	-	-
- Prior year adjustments	-	-	-	(15,308)	-	-	(15,308)	-	-
Restated balance at January 1, 2020	41,379	261,886	43,099	2,040,459	220,593	(93,044)	2,514,372	-	-
Profit for the year	-	-	-	278,675	-	-	278,675	-	-
Other comprehensive income for the year	-	(140,440)	-	-	-	(39,905)	(180,345)	-	-
Dividends	-	-	-	(119,171)	-	-	(119,171)	-	-
Balance at December 31, 2020	41,379	121,446	43,099	2,199,963	220,593	(132,949)	2,493,531	-	-
At January 1, 2019,									
- As previously stated	41,379	171,329	43,099	1,867,518	220,593	(101,848)	2,242,070	-	-
- Prior year adjustments	-	-	-	(3,948)	-	-	(3,948)	-	-
Restated balance at January 1, 2019	41,379	171,329	43,099	1,863,570	220,593	(101,848)	2,238,122	-	-
Profit for the year - restated	-	-	-	296,060	-	-	296,060	-	-
Other comprehensive income for the year	-	90,557	-	-	-	8,804	99,361	-	-
Dividends	-	-	-	(119,171)	-	-	(119,171)	-	-
Balance at December 31, 2019	41,379	261,886	43,099	2,040,459	220,593	(93,044)	2,514,372	-	-

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019 Restated	Year Ended Dec 31, 2020	Year Ended Dec 31, 2019 Restated
	Rs'000	Rs'000	Rs'000	Rs'000
Net cash generated from operating activities	1,229,312	869,394	552,745	49,412
Net cash (used in) investing activities	(1,338,316)	(202,539)	(117,021)	(38,079)
Net cash (used in)/generated from financing activities	(189,107)	(17,656)	(304,149)	78,333
(Decrease)/Increase in cash and cash equivalents	(298,111)	649,199	131,575	89,666
Movement in cash and cash equivalents:				
At January 1,	3,693,363	2,977,086	475,563	378,609
(Decrease)/Increase during the year	(298,111)	649,199	131,575	89,666
Effect of foreign exchange rate changes	157,551	67,078	14,590	7,288
At December 31,	3,552,803	3,693,363	621,728	475,563

5. Segment Information - The Group

	2020				2019			
	Life Rs'000	General Rs'000	Group Elimination Rs'000	Total Rs'000	RESTATED			
					Life Rs'000	General Rs'000	Group Elimination Rs'000	Total Rs'000
Gross written premiums	4,703,165	3,373,256	(44,531)	8,031,890	4,805,926	3,207,071	-	8,012,997
Net earned premiums	4,531,717	2,376,475	(44,531)	6,863,661	4,688,070	1,621,989	-	6,310,059
Underwriting surplus	1,170,101	686,612	(44,531)	1,812,182	1,047,551	647,891	-	1,695,442
Investment income	1,168,029	161,579	(131,621)	1,197,987	1,505,676	175,101	(134,837)	1,545,940
Operating profit	2,338,130	848,191	(176,152)	3,010,169	2,553,227	822,992	(134,837)	3,241,382
Other income	1,454,785	214,809	(50,524)	1,619,070	715,940	110,258	(34,425)	791,773
Marketing and administrative expenses	3,792,915	1,063,000	(226,676)	4,629,239	3,269,167	933,250	(169,262)	4,033,155
Finance costs	(473,339)	(631,841)	55,593	(1,049,587)	(475,810)	(541,371)	37,745	(979,436)
Movement in Allowances for credit impairment	(1,580)	(2,728)	-	(4,308)	(1,747)	(695)	-	(2,442)
Impairment of financial assets	(34,952)	(4,727)	-	(39,679)	(7,163)	(17,330)	1,583	(22,910)
Impairment of non-financial assets	(10,349)	(83,985)	38,825	(55,509)	(62,210)	(37,711)	55,394	(44,527)
Depreciation and amortisation	(9,359)	-	(2,485)	(11,844)	-	-	-	-
Net gain on exchange	(50,222)	(53,809)	1,125	(102,906)	(43,349)	(26,710)	1,031	(69,028)
Share of results of associated companies and joint venture	133,560	31,643	-	165,203	52,050	5,254	-	57,304
Movement in Life Assurance Fund	(9,268)	(413)	47,849	38,168	5,747	12,166	9,087	27,000
Profit before taxation	(2,775,799)	-	-	(2,775,799)	(2,281,703)	-	-	(2,281,703)
Income tax expense	561,607	317,140	(85,769)	792,978	454,982	326,853	(64,422)	717,413
Profit for the year	(3,981)	(23,879)	(5)	(27,865)	(35,899)	(20,685)	(27)	(56,611)
	557,626	293,261	(85,774)	765,113	419,083	306,168	(64,449)	660,802

This communiqué is issued pursuant to the Listing Rule 12.14 and the Securities Act 2005.

Copies of these condensed audited financial statements and the statements of officers' interests, pursuant to Rule 8 (2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 are available free of charge from the Company Secretary at the registered office of the Company at Swan Centre, 10 Intendance Street, Port Louis. The condensed audited financial statements can also be viewed on the Company's website.

The Board of Directors of Swan General Ltd accepts full responsibility for the accuracy of the information contained in these condensed audited financial statements.