

SWAN WEALTH MANAGERS LTD

ANNUAL REPORT - YEAR ENDED

DECEMBER 31, 2022

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Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan Wealth Managers Ltd (the "Company") for the year ended December 31, 2022, contents of which are listed below:

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This report was approved and authorised for issue by the Board of Directors on: 30 March 2023



Director

Name: Louis Rivalland



Director

Name: Gianduth Jeeawock

PRINCIPAL ACTIVITIES AND OTHER STATUTORY DISCLOSURES - DECEMBER 31, 2022**PRINCIPAL ACTIVITIES**

The principal activities of the Company consist of fund management and advisory services to sophisticated investors.

BOARD OF DIRECTORS

The Directors of the Company as at December 31, 2022 and at the date of this annual report were:

Mr. Louis RIVALLAND
 Mr. Peroomal Gopallen MOOROGEN
 Mr. Gianduth JEEAWOCK

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 Mauritian Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

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

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
<u>Executive Directors</u>		
Mr. Louis RIVALLAND	20,000	20,000
Mr. Gianduth JEEAWOCK	20,000	15,000
<u>Non-Executive Director</u>		
Mr. Peroomal Gopallen MOOROGEN	20,000	20,000
	<u>60,000</u>	<u>55,000</u>

DONATION

There was no donation made by the Company during the year (2021: Nil).

AUDITOR'S FEES

The fees payable to the auditor, for audit were as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Audit fees paid to:		
- BDO & Co	172,500	150,000
	<u>172,500</u>	<u>150,000</u>

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

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

Swan Wealth Managers Ltd (the ‘Company’) is a Public Interest Entity as defined by the Mauritian Financial Reporting Act 2004.

1. GOVERNANCE STRUCTURE

Swan Wealth Managers Ltd is headed by a unitary Board. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company. The Board assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues. The Board is also the link between the Company and the shareholder.

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 its principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our corporate values, Passion, People and Performance, serve as the foundation for the code. The code also contains provisions on whistle blowing and provides inter alia, for anonymous reporting of unethical conducts.

The day-to-day operations are entrusted to management under the responsibility of the Group Chief Executive. Members of senior management have clearly defined job descriptions. Senior management report to the Group Chief Executive.

The code of ethics and constitution have been published on Swan’s website.

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES

Swan Wealth Managers Ltd is headed by a unitary Board and consists of two executives and one independent non-executive director. Members of the Board have a diverse set of skills, knowledge and come from different sphere of the business community. There is currently no female gender on the Board, as the Board was constituted before such requirement. Collectively, the Board is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Company and the group.

The Group Chief Executive, together with the executive directors, have the day-to-day management responsibility for the operations, implementing the strategies and policies agreed by the Board.

The independent director brings a range of experience and skills to the Board and is free from any business or other relationships which could materially affect his ability to exercise independent judgement, constructively dissent and is a critical by-stander. The Board is satisfied that one independent director is sufficient having regard to the activities and size of the Company. Though Mr. Moorooogen has served for more than 9 years, the Board considers Mr. Moorooogen to still be independent. The Board does not insist that all the criteria set in the Code be cumulatively met. The Board is satisfied that Mr Moorooogen is able to, and in fact, exercises independence of mind and judgement in his duties of independent director across the group.

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

The non-executive and independent directors make a significant contribution to the functioning of the Board, thereby ensuring that no one individual or group dominates the decision-making process.

All the directors are ordinarily resident in Mauritius.

The Directors of the Company for the year ended 31 December 2022 were:

Mr. Gopallen Moorooogen (Independent Non-Executive)

Mr. Louis Rivalland (Executive) (Group Chief Executive)

Mr. Gianduth (Alvin) Jeeawock (Executive)

Directors profile:

Louis RIVALLAND

Group Chief Executive – Executive Director

Louis Rivalland, born in 1971, holds a Bachelor's degree in Actuarial Science and Statistics, a Post Graduate Diploma in Strategy and Innovation from SAID Business School, University of Oxford and is a qualified Actuary from the Faculty and Institute of Actuaries.

He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999 he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment function as well as enhancing the healthcare function.

In August 1999, he joined Swan as Consultant to Group Chief Executive. He was involved in the review and setting up of processes and systems for the pensions, investments and life insurance operations and was responsible for the actuarial and consultancy work for the pension schemes.

From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance Company Limited, now Swan General Ltd and The Anglo-Mauritius Assurance Society Limited, now Swan Life Ltd, and member of the Executive Management Committee of SWAN.

He has been the President of the Joint Economic Council, now Business Mauritius and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

List of other directorships:

Companies	Type of Directorship
Aprica Investments Co Ltd	Director
Manufacturers' Distributing Station Limited	Director
Mauritius Investment Corporation Ltd	Director
Processure Compagnie Limitée	Director
Swan Corporate Affairs Ltd	Director
Swan Digital Ltd	Director
Swan Financial Solutions Ltd	Director
Swan Foundation	Director
Swan International Co Ltd	Director
Swan Life Ltd	Director
Swan Pensions Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Co Ltd	Director
Swan Wealth International Ltd	Director
Swan General Ltd	Director
Swan Wealth Structured Products Ltd	Director

Gopallen MOOROGEN
Independent Non-executive Director

Born in 1959, is a fellow of the Association of Chartered Certified Accountants (FCCA). He also holds an MBA from the University of Wales / Manchester Business School. He has been a director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for a number of years and has been the Chairman of the SEM for a few years. He is currently Head - Finance Transformation at Mauritius Telecom.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

List of other directorships:

<i>Company Name</i>	<i>Position</i>
Swan Life Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Company Ltd	Director
Swan General Ltd	Director
Swan Pensions Ltd	Director

Gianduth (Alvin) JEEAWOCK
Executive Director

Alvin is a CFA charter holder since 2010. He is currently reading for MBA International Paris. Alvin is a seasoned professional reckoning more than a decade of experience in Capital Markets. In his senior management role, he provides strategic directives into SWAN's Capital Markets division. Equally, he is amongst the driving forces of investment activities of the group, including strategic investments in Mauritius and abroad. He is also an executive director of Swan Corporate Advisors Ltd, Swan Wealth International Ltd and Swan Smart Achiever Notes Ltd.

List of other directorships:

<i>Company Name</i>	<i>Position</i>
MDA Properties	Director
Constance Hotels Services Ltd	Director
Moka City Ltd	Director
Swan Digital Ltd	Director
Dolberg Rental (Pty) Ltd	Director
Swan Wealth Structured Products Ltd	Director
Swan Financial Solutions Ltd	Director
Swan Wealth International Ltd	Director
Swan Corporate Advisors Ltd	Director
Swan Smart Achiever Notes Ltd	Director

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 acts as a vital bridge between the Board and the executive management and ensures that the management, in a timely manner, provides the Board and its Committees with all information. The Company Secretary discharged his duties as per the statutory requirements.

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

Mr. Jaiyansing Soobah acts as the Group Company Secretary and below is his profile:

Jaiyansing (Shailen) SOOBAH

FCCA, MBA, ACG, Risk Officer, Group Company Secretary - Corporate Office

Born in 1974 and a resident of Mauritius, Jaiyansing is a Fellow of the Association of Chartered Certified Accountants, holds a Master in Business Administration and is a Chartered Governance Professional. 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 also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.

Board Committees

Two committees are constituted at the level of the group – the Audit & Risks Committee and the Corporate Governance Committee. The terms of reference of the two committees which were approved by the Board have been posted on the website.

Audit & Risks Committee

The Committee consists of four non-executive directors, three of whom are independent, including the Chairperson. The members are:

- a) Mr. Arif Currimjee (Independent Non-Executive)
- b) Mr. Henri Harel (Non-Executive)
- c) Miss Grace Leung Shing (Independent Non-Executive)
- d) Mr. Gopallen Moorooogen (Chairperson) (Independent)

Mr. Jaiyansing Soobah, acts as secretary of the Committee.

The Committee meets at least four times a year. The Group Chief Executive is not a member of the Committee. He is in attendance unless a conflict of interest is likely to arise.

Members of the Committee have ample financial awareness. Members of the senior management, the external auditors and the internal auditors regularly attend meetings of the Group Audit & Risks Committee, as are relevant. The Group Audit Committee meets regularly with the External Auditor (including once at the planning stage before the audit and once after the audit at the reporting stage). The Group Audit Committee has not met external auditor without management presence.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

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.

During the year, the Committee met six times and the main issues discussed and deliberated on were:

- a) Yearly audited accounts and annual report – consideration and recommendation to the Board for approval;
- b) External audit – consideration and approval of audit strategy
- c) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;
- d) Consideration of auditors' fees for audit and non-audit services for the Group and subsidiaries;
- e) Risk management – consideration of risk appetite statements, own risk and solvency assessment, actuary's effectiveness report and auditors' compliance report for the Group.

Corporate Governance Committee

The Group Corporate Governance Committee's terms of reference, which comprises areas covered by a Nomination and Remuneration Committee, include, inter alia, the following:

- a) determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

- b) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executives and senior management;
- c) putting in place plans for succession;
- 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 consists of the following non-executive directors:

- a) Mr. Arif Currimjee (Independent)
- b) Mr. Nicolas Maigrot (Chairperson) (non-executive)
- c) Mr. Gopallen Moorooogen (Independent)
- d) Miss Grace Leung Shing (Independent)

The Group Chief Executive is in attendance. The Company Secretary, Mr. Jaiyansing Soobah, acts as secretary of the Committee.

Going forward, an independent director shall be appointed as Chairperson for each Board meeting scheduled.

Attendance of the directors at board meetings and board committees for 2022 were as follows:

Directors	Board meetings	Audit & Risks Committee	Corporate Governance Committee
Number of meetings held	4	6	1
NICOLAS MAIGROT ¹			1
ARIF CURRIMJEE		5	1
HENRI HAREL		6	
GRACE LEUNG SHING		6	1
GOPALLEN MOOROOGEN ²	3	6	1
ALVIN JEEAWOCK	4		
LOUIS RIVALLAND ³	4	6	1

1 Chairperson, Corporate Governance Committee

2 Chairperson, Audit & Risks Committee

3 In attendance (not a member) for the Committees

3. DIRECTOR APPOINTMENT PROCEDURES

Appointment of new directors is subject to a pre-determined process. Potential candidates are identified by the Group Corporate Governance Committee. The selection is made based on, inter alia, skills, business acumen, industry knowledge, experience and independence (where relevant).

The Group 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 Mauritian 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 and requested, the Company will organize workshops and arrange training of directors.

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive.

The following has been published on the Company's website – a brief write-up of directors and the Company Secretary and details of the nomination & appointment process.

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

All directors are aware of their legal duties. Directors' duties emanate mainly from the Mauritian Companies Act, the Insurance Act, the Securities Act and the Listing Rules.

The Company has a Code of Ethics, which is applicable to employees and Directors.

The directors have disclosed their other significant commitments and time involved to the board. The board was also informed by the directors that there are no subsequent changes to their other commitments and they have sufficient time to discharge their duties towards the Company.

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;

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

- 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 Mauritian Companies Act 2001, the Company Secretary maintains an interests register which is available to the shareholders upon written request. 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.

Conflicts of interests are disclosed by directors as soon as they become aware that they are interested in a transaction. All interests, as disclosed by the directors, are recorded. Conflicts of interest and related party transactions have been conducted in strict compliance with applicable legislations and the code of ethics. All related party transactions disclosures, as are legally required to be disclosed, are made in the annual report. The Company does not have any conflict of interest and related party policies, as the Board considers that these are adequately covered under current laws.

Information, information technology and information security governance

The Board is responsible for information governance. At Board level, the Chairperson, the Group Chief Executive and the Company Secretary ensure that Directors receive adequate, timely and accurate information to be able to discharge their duties. Directors are under obligations to keep all information confidential. Directors have unrestricted access to information.

Where necessary in the discharge of their duties, all directors may seek independent professional advice at the Company's expense. The Company has adequate Directors & Officers insurance.

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

- a) to clarify the requirements, prohibitions, and procedures applicable to the use of the Company's computing and network resources;

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

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

- 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.

The Company has published a brief of its IT policies on its website.

Remuneration Policy

Remuneration of directors is determined by the Corporate Governance Committee. The Board is responsible for the remuneration policy of the Group and duties are delegated to the Group Human Resource (HR) management team.

The Remuneration policy has the following aims:

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

Executive directors' remuneration package consists of basic salary, annual performance bonus, pension provision, other benefits and an annual director's fee. The structure of the package is reviewed annually and benchmarked to market norms and practices.

The Group's objective is to attract, motivate and retain Executive Directors of the highest calibre. This is essential for the successful leadership and effective management of the Group. Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance. Non-executive directors receive a fixed director fee.

Directors' remuneration for the year was as follows:

	From the Company (Rs)
Executive Directors	MUR40,000
Non-Executive Director	MUR20,000

5. 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 senior management.

The system of internal controls has been designed to safeguard assets of the Company from unauthorised use. The Company maintains proper records to ensure effective operation of its business and compliance with laws and regulations.

Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Company's activities, including the operation of the internal control system.

The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems. The main risks faced by the Company are compliance risk, legal risk, market risk, foreign exchange risk and interest rate risk.

Key areas of effective internal controls are as follows:

- a) A clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, senior management and to the heads of operating units;
- b) The effectiveness of internal controls is assessed by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, statutory actuary and the external auditors;
- 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;

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

It has been agreed that the Company and the Group will conduct board evaluation every 3 years. The last board evaluation was conducted in 2021 through questionnaires and no independent evaluator was appointed.

Internal control covers all material functions of the company. Board, through the Audit & Risks Committee and senior 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 also 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 Mauritian 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, the financial statements, risk report, report from the Group Chief Executive and Chairperson, details on our corporate social responsibility, information and profile of our senior management team.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's position, performance and outlook. The annual report for the year ended 31 December 2022 will be published on the website of SWAN Group.

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 Mauritian Companies Act. The Company declares dividend in December based on best estimates of yearly results to 31 December.

Shareholders Agreement

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

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 Company complies 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.

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 organized regularly.

7. REPORTING WITH INTEGRITY (CONT'D)

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.

8. AUDIT

Internal Audit

Internal Audit is an objective assurance function reporting to the Group 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. The Internal Auditors are responsible for providing assurance to the Board, through the Group Audit & Risks Committee, regarding the implementation, operation and effectiveness of internal control and risks management.

A risk based 3-year road map is prepared. The internal audit plan, which is approved by the Group 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/Group 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 Group 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 Group Audit & Risks Committee.

External Audit

Our external auditors are BDO & Co. External auditors are appointed/re-appointed by shareholders. Auditor's remuneration is fixed by the Board, following recommendation from the Group Audit & Risks Committee.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2022

8. AUDIT (CONT'D)

External auditors have unrestricted access to the Group Audit & Risks Committee. The Company is satisfied with the external audit process.

The Group Audit & Risks Committee remain available to external auditors to discuss any key audit matters and significant issues of the management letter, if any.

BDO & Co. has been the auditors of the Company for more than 7 years.

During 2022, the following fees apply to BDO & Co:

For audit services	MUR 172,500
Non-Audit Services	Nil

9. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The only shareholder holding directly more than 5% of the Company is Swan Financial Solutions Ltd, which holds 100% of the company's capital.

The directors common to the Company and to the holding Company are:

DIRECTORS	SWAN WEALTH MANAGERS LTD	SWAN FINANCIAL SOLUTIONS LTD
Louis RIVALLAND	√	√
Gopallen MOOROGEN	√	-
Gianduth (Alvin) JEEAWOCK	√	-

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, internal and external auditors among others.

10. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

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

Key events are set out below:

May Annual Meeting of Shareholders (By way of Written Resolution)

December Declaration and payment of dividend



Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary

30 March 2023

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

- (i) the maintenance of adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of separate financial statements which fairly present the separate statement of financial position at December 31, 2022 and separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for year ended December 31, 2022 and the notes to the separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in compliance with International Financial Reporting Standards (IFRS) and Mauritian Companies Act 2001;
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditor is responsible for reporting on whether the separate 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 and;
- (iv) the National Code of Corporate Governance for Mauritius (2016) (the Code) has been adhered to.

Signed on behalf of the Board of Directors on: 30 March 2023



Director

Name: Louis Rivalland



Director

Name: Gianduth Jeeawock

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2022

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies, for the year ended December 31, 2022, all such returns as are required of the Company under the Mauritian Companies Act 2001.



J. Soobah
For Swan Corporate Affairs Ltd
Company Secretary

Date: 30 March 2023

STATEMENT OF COMPLIANCE**SECTION 75(3) OF THE FINANCIAL REPORTING ACT****Name of PIE: SWAN WEALTH MANAGERS LTD (the ‘Company’)**

Throughout the year ended December 31, 2022, 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:

.....
Chairperson
Name: Gopallen Moorooogen

Date: 30 March 2023

.....
Director
Name: Louis Rivalland

Date: 30 March 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Swan Wealth Managers Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the separate financial statements of Swan Wealth Managers Ltd (the "Company"), on pages 6 to 60 which comprise the separate statement of financial position as at December 31, 2022, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements on pages 6 to 60 give a true and fair view of the financial position of the Company as at December 31, 2022, 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 Mauritian 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 separate financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Wealth Managers Ltd

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

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 the 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 separate 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, and
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of Swan Wealth Managers Ltd

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements*Mauritian Companies Act 2001*

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor 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.
- The Company does not comply with Section 133 (1)(b) and (c) of the Mauritian Companies Act 2001 for the year ended December 31, 2022, where all public companies should have at least one woman and at all times have at least two independent Directors on their board respectively.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 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 Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's shareholder, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's Shareholder 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 Shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

**BDO & Co***Chartered Accountants***Galina Rangasamy, FCCA**

Licensed by FRC


March 30, 2023

Port Louis,
Mauritius

SEPARATE STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2022

	Notes	2022 Rs.	2021 Rs.
ASSETS			
Non-current assets			
Equipment	5	742,069	677,567
Right-of-use asset	5A	1,331,899	2,561,335
Investment in subsidiary company	6A	-	1,300,000
Financial assets at amortised cost	7	558,254,752	456,297,281
Financial assets at fair value through other comprehensive income	8	16,521,103	10,000
Deferred tax assets	9	2,049,046	2,474,719
		578,898,869	463,320,902
Current assets			
Trade receivables	10	90,565,481	74,586,019
Financial assets at amortised cost	7	18,707,870	-
Other assets		1,816,218	1,403,232
Cash and cash equivalents	11(b)	137,876,153	147,118,686
		248,965,722	223,107,937
Non-current asset classified as held for sale	6B	1,300,000	-
Total assets		829,164,591	686,428,839
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	1,600,000	1,600,000
Retained earnings		794,833,083	640,443,037
Fair value deficit		(236,530)	-
Total equity		796,196,553	642,043,037
Non-current liabilities			
Lease liability	5B	-	1,370,503
Retirement benefit obligations	13	9,490,176	7,193,986
		9,490,176	8,564,489
Current liabilities			
Lease liability	5B	1,370,496	1,296,031
Other payables	14	19,618,379	29,253,130
Current tax liability	15(c)	2,488,987	5,272,152
		23,477,862	35,821,313
Total equity and liabilities		829,164,591	686,428,839

These separate financial statements have been approved and authorised for issue by the Board of Directors on 30 March 2023


 Director
 Name: Louis Rivalland


 Director
 Name: Gianduth Jeeawock

The notes on pages 10 to 60 form an integral part of these separate financial statements.
 Independent Auditor's report on pages 5 to 5(b).

**SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -
YEAR ENDED DECEMBER 31, 2022**

	<u>Notes</u>	<u>2022</u> Rs.	<u>2021</u> Rs.
Revenue from Contracts with Customers	17	301,676,079	295,217,691
Other income	18	16,420,649	11,016,044
Other gains	20	6,888,340	36,559,405
Movement in allowances for credit impairment of financial assets and write off	10 (i)&(ii)	1,188,636	(3,367,659)
Employee benefit expenses	21 (a)	(45,926,745)	(32,710,289)
Administrative expenses	21	(41,100,157)	(25,458,431)
		239,146,802	281,256,761
Finance costs	19	(116,394)	(186,820)
Profit before taxation		239,030,408	281,069,941
Taxation	15(a)	(7,733,334)	(11,761,681)
Profit for the year		231,297,074	269,308,260
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss :</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income	8	(236,530)	-
Remeasurements of post employment benefit obligations	13(a)(vii) & 13(b)(vi)	(2,297,627)	913,235
Tax effect on remeasurements of post employment benefit obligations	9(b)	390,599	(155,250)
Other comprehensive income for the year, net of tax		(2,143,558)	757,985
Total comprehensive income for the year		229,153,516	270,066,245

The notes on pages 10 to 60 form an integral part of these separate financial statements.
Independent Auditor's report on pages 5 to 5(b).

SEPARATE STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2022

	<u>Notes</u>	<u>Share Capital</u> Rs.	<u>Retained Earnings</u> Rs.	<u>Fair Value Deficit</u> Rs.	<u>Total Equity</u> Rs.
Balance at January 1, 2022		1,600,000	640,443,037	-	642,043,037
<i>Total comprehensive income for the year:</i>					
Profit for the year		-	231,297,074	-	231,297,074
<i>Other comprehensive income for the year:</i>					
Changes in fair value of equity instruments at fair value through other comprehensive income	8	-	-	(236,530)	(236,530)
Remeasurements of post employment benefit obligations, net of tax		-	(1,907,028)	-	(1,907,028)
<i>Transactions with owners of the Company:</i>					
Dividends	16	-	(75,000,000)	-	(75,000,000)
Balance at December 31, 2022		1,600,000	794,833,083	(236,530)	796,196,553
Balance at January 1, 2021		1,600,000	448,376,792	-	449,976,792
<i>Total comprehensive income for the year:</i>					
Profit for the year		-	269,308,260	-	269,308,260
<i>Other comprehensive income for the year:</i>					
Remeasurements of post employment benefit obligations, net of tax		-	757,985	-	757,985
<i>Transactions with owners of the Company:</i>					
Dividends	16	-	(78,000,000)	-	(78,000,000)
Balance at December 31, 2021		1,600,000	640,443,037	-	642,043,037

The notes on pages 10 to 60 form an integral part of these separate financial statements.
Independent Auditor's report on pages 5 to 5(b).

SEPARATE STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2022

	Notes	2022 Rs.	2021 Rs.
Cash flows from operating activities			
Profit before taxation		239,030,408	281,069,941
Adjustments for:			
Depreciation on equipment	5	603,661	462,791
Depreciation of right-of-use assets	5A	1,229,436	1,229,436
Movement in allowances for credit impairment of financial assets and write off	10 (i)/(ii)	(1,188,636)	3,367,659
Profit on disposal of equipment	20	-	(130,000)
Decrease in provision for retirement benefit obligations	13	(1,437)	(484,210)
Dividend income	18	(4,273,071)	(3,010,569)
Interest income	18	(12,087,325)	(8,005,475)
Interest expense	5B/19	116,394	186,820
Net foreign exchange gains	20	(6,888,340)	(36,388,116)
Changes in working capital:			
- trade receivables	10	(14,744,464)	(1,874,926)
- other assets		105,454	(1,044,549)
- other payables	14	(9,634,766)	(14,042,691)
Cash generated from operations		192,267,314	221,336,111
Tax paid	15	(9,700,224)	(5,794,679)
Net cash generated from operating activities		182,567,090	215,541,432
Cash flows from investing activities			
Purchase of equipment	5	(668,163)	(652,323)
Purchase of financial assets at amortised cost	7	(113,596,651)	(377,912,012)
Purchase of financial assets at fair value through other comprehensive income	8	(16,747,633)	-
Proceeds from disposal of equipment		-	130,000
Proceeds from sale of financial assets at amortised cost	7	-	165,407,768
Interest received		15,988,693	10,597,626
Net cash used in investing activities		(115,023,754)	(202,428,941)
Cash flows from financing activities			
Principal paid on lease liability	5B	(1,296,038)	(1,225,612)
Interest paid on lease liability	5B	(116,394)	(186,820)
Dividends paid to Shareholder	16	(75,000,000)	(78,000,000)
Net cash used in financing activities		(76,412,432)	(79,412,432)
Net decrease in cash and cash equivalents		(8,869,096)	(66,299,941)
Movement in cash and cash equivalents			
At January 1,		147,118,686	208,319,618
Decrease		(8,869,096)	(66,299,941)
Effects of foreign exchange rate changes		(373,437)	5,099,009
At December 31,	11(b)	137,876,153	147,118,686

The notes on pages 10 to 60 form an integral part of these separate financial statements.

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

1. GENERAL INFORMATION

Swan Wealth Managers Ltd is a limited liability company incorporated and domiciled in Mauritius. The address of the registered office is Swan Centre, 10, Intendance Street, Port Louis.

These separate financial statements will be considered and approved at the forthcoming Annual Meeting of shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The separate financial statements of Swan Wealth Managers Ltd comply with the Mauritian Companies Act 2001 and Mauritian Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These separate financial statements are that of an individual entity. Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The separate financial statements are presented in Mauritian Rupees which is the Company's functional currency and all values are rounded to the nearest Rupee (Rs.). The separate financial statements are prepared using the going concern principle, under the historical cost convention, except for:

- (i) financial assets at fair value through other comprehensive income;
- (ii) asset held for sale measured at the lower of carrying amount and fair value less costs to sell; and
- (iii) the liability for defined benefit obligations is recognised as the fair value of plan assets less the present value of the defined benefit obligations that are stated at their fair values.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018–2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Company's separate financial statements.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Company's separate 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)*****IFRS 9 Financial Instruments***

Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Company's separate financial statements.

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Company's separate financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Company's separate financial statements.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018– 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Company's separate financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 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:

Effective date January 1, 2023***IFRS 17 Insurance contracts***

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The separate financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4-Insurance Contracts.

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 (cont'd)

Effective date January 1, 2023 (cont'd)

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity’s right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of ‘settlement’ for the purpose of classifying a liability as current or non-current.

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 (cont'd)

Effective date January 1, 2024 (cont'd)

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements :

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures :

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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 the separate 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 separate financial statements, are disclosed in Note 4.

2.2 Equipment

Equipment is stated at historical cost less depreciation less impairment. 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Equipment (cont'd)

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual values over their estimated useful life as follows:

Motor vehicles	20%
Computer equipment	33.3%
Furniture and fittings	10%

The assets' residual values, useful lives and depreciation methods 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 equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

2.3 Financial assets

(i) Recognition and initial measurement

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The Company determines the classification at initial recognition.

(a) Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding; and
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.

Financial assets- Solely Payments of principal and interest (SPPI)

Under IFRS 9, the SPPI test requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding i.e. cash flows that are consistent with a basic lending arrangement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

(a) Amortised cost (cont'd)

Financial assets- Solely Payments of principal and interest (SPPI) (cont'd)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. Liquidity risks and administrative cost), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. Non-recourse arrangement); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to the expected credit loss requirements.

Financial assets- Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management; and
- the risks that affect the performance of the business model, the financial assets held within that business model and its strategy for how those risks are managed.

The Company has determined that it has one business model which includes held to collect business model. This includes financial assets at amortised cost, trade receivables, other assets and cash and cash equivalents. These assets are held to collect contractual cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(a) *Amortised cost (cont'd)*

Impairment

Impairment provisions for trade receivables and financial assets at amortised cost 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 amount receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for amount receivables 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 months' 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 net basis are recognised.

From time to time, the Company elects to renegotiate the terms of amount 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 separate statement of profit or loss and other comprehensive income (operating profit).

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

Specific instruments

Cash comprises cash in hand and cash held at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company has elected to present the statement of cash flows using the indirect method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

(b) *Fair value through other comprehensive income*

The Company holds investment in financial assets in unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For this investment, the Company has made an irrevocable election to classify the investment 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 reserve. Upon disposal any balance within fair value 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. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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 reserve.

(iii) *Derecognition of financial assets*

The Company derecognises a financial asset when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred their control, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in transferred financial assets that qualifies for derecognition that is created or retained by the Company is recognised as a separate asset or liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(iv) *Offsetting*

Financial assets and liabilities are offset and the net amount presented in the separate statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs.

(v) *Modification of financial assets*

If the terms of a financial asset are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset;
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria is not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the terms and conditions of the financial asset are not substantially different, the Company recalculates the new gross carrying amount of the financial asset by discounting the modified cash flows of the financial asset using the original effective interest rate (EIR). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial liabilities

(i) *Recognition and initial measurement*

Financial liabilities initially recognised at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue, when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are recognised on the date on which they are originated.

(ii) *Classification and subsequent measurement*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains are recognised in profit or loss.

(iii) *Derecognition*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified term is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) *Modifications of financial liabilities*

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiary company

A subsidiary is an entity which the Company controls. The Company controls an investee if it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company performs a reassessment of control whenever there is a change in the substance of the relationship between the Company and an investee. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Investment in subsidiary company is carried at cost less impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

The Company has an investment in a subsidiary which has been classified as non-current asset held for sale during the year ended December 31, 2022. Refer to Note 6A and 6B for further details.

2.6 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the separate statement of financial position. During the year, the sole investment in subsidiary has been held for sale. Refer to Note 6B for further details.

2.7 Share capital

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Retirement benefit obligations

(a) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has 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 operates a defined contribution retirement benefit plan with Swan Defined Contribution Pension Scheme for all qualifying employees (new entrants and their dependents). Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(b) *Defined benefit plans*

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.

For Defined Benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. 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 they occur. 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 during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the 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. Plan service cost is recognised in profit or loss in the period of a plan amendment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Retirement benefit obligations (cont'd)****(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 represents a defined benefit obligation. The present value of this defined benefit obligation is calculated by a qualified actuary using the projected unit credit method and is provided for similarly to the defined benefit plan of the Company. The obligations arising under this plan are not funded.

(d) *Termination benefits*

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognises a liability and expense for termination benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of those benefits; and
- (b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and involves the payment of termination benefits.

For termination benefits payable as a result of an employee's decision to accept an offer of benefits in exchange for the termination of employment, the time when the Company can no longer withdraw the offer of termination benefits is the earlier of:

- (a) when the employee accepts the offer; and
- (b) when a restriction (eg a legal, regulatory or contractual requirement or other restriction) on the Company's ability to withdraw the offer takes effect. This would be when the offer is made, if the restriction existed at the time of the offer.

For termination benefits payable as a result of the Company's decision to terminate an employee's employment, the Company can no longer withdraw the offer when the entity has communicated to the affected employees a plan of termination meeting all of the following criteria:

- (a) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made.
- (b) The plan identifies the number of employees whose employment is to be terminated, their job classifications or functions and their locations (but the plan need not identify each individual employee) and the expected completion date.
- (c) The plan establishes the termination benefits that employees will receive in sufficient detail that employees can determine the type and amount of benefits they will receive when their employment is terminated.

2.9 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Current and deferred income tax (cont'd)

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. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

The directors have assessed the impact of IFRIC 23- Uncertainty over Income Tax Treatments on the separate financial statements and have concluded that there is no uncertain tax positions.

Deferred Tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate 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 period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Current and deferred tax assets and liabilities are offset only if:-

- The Company has a legally enforceable right to set the recognised amount; and
- The Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 the Company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and classified as taxation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 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). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.11 Leases

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.

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) Right to control the identified asset;
- (c) The Company obtains substantially all the economic benefits from use of the asset; and
- (d) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the lessor 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 from the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Leases (cont'd)

Identifying Leases (cont'd)

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. The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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 reasonably certain to assess that option;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; 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.

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).

The lease liability is recognised at amortised cost using the effective interest method. Right-of-use assets are subsequently depreciated on a straight-line basis over the remaining term of the lease or over the remaining useful life of the asset if, rarely, this is judged to be shorter than the lease term and if the cost of the asset reflects that the lessee will exercise a purchase option.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Leases (cont'd)

Identifying Leases (cont'd)

- 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.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease can not be readily determined.

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 not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

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.

2.12 Revenue recognition

(a) *Revenue from contracts with customers*

The Company provides fund management services, advisory services and other services under fixed-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue is recognised at a point in time based on the actual service provided to the end of the reporting period and is determined based on the assets under management with the Company.

Determining the transaction price

Since the revenue generated by the Company is under fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Allocating amounts to performance obligations

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. Therefore, there is no judgement involved in allocating the contract price to each transaction in such contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Revenue recognition(cont'd)

(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). Interest income is recognised as other income in the separate statement of profit or loss and other comprehensive income.
- Dividend income - when the Shareholder's right to receive payment is established.

2.13 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. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.14 Dividend distribution

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

2.15 Administrative expenses

Expenses are accounted under accrual basis in the separate financial statements.

2.16 Foreign currencies

(a) *Functional and presentation currency*

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Foreign currencies (cont'd)

(b) *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. All other foreign exchange gains and losses are presented in profit or loss within 'other gains'. 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. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.17 Current versus non-current classification

The Company presents assets and liabilities in the separate statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risk: credit risk, liquidity risk, currency risk, interest-rate risk and equity 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.

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in interest rates, equity prices and foreign currency exchange rates.

The Company has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Company monitors adherence to this market risk policy through the Company's Investment Committee. The Company's Investment Committee is responsible for managing market risk.

(a) **Credit risk**

Credit risk is a risk that a counterparty will be unable to pay an amount in full when due. Credit risk arises from contractual cash flows of debt investments carried at amortised cost and cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed at a company basis.

Investments in financial assets at amortised cost

The Company's investments in debt securities are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

The Company's investment in financial assets at amortised cost comprises mainly of investment in bonds issued by corporates. Prior to any investment, a credit assessment is undertaken by the Company's Investment Managers based on information gathered from the institutions, the public domain as well as credit rating agencies. These investments are held primarily with reputable and credit-worthy institutions comprising of local and international financial and non-financial entities. Refer to Note 7 for further details.

Cash and cash equivalents

For banks and financial institutions, only independently rated parties are accepted. Cash and cash equivalents are held with renowned local and international banks. The Directors have assessed that the credit risk is low as cash and cash equivalents are held with reputable institutions duly licensed and rated investment grade by credit rating agencies.

3. FINANCIAL RISK MANAGEMENT(CONT'D)

3.1 Financial risk factors (cont'd)

(a) Credit risk (cont'd)Trade receivables

Risk control assesses the credit quality of the customers including related parties, taking into account their 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. The Company has a significant concentration of credit risk with its related parties out of which 44% with its intermediate holding company, Swan Life Ltd, a listed financial institution. The Company has no significant long outstanding debts.

As at December 31, 2022, gross trade receivables amounted to **Rs 93,581,419** (2021: Rs 82,069,048) of which **Rs 3,015,938** (2021: Rs 7,483,029) were provided for in the separate statement of profit or loss as impairment.

	<u>Within 3 months Rs.</u>	<u>More than 3 months Rs.</u>	<u>Total Rs.</u>
<u>2022</u>			
Trade receivables	56,698,317	33,867,164	90,565,481
	<u>Within 3 months Rs.</u>	<u>More than 3 months Rs.</u>	<u>Total Rs.</u>
<u>2021</u>			
Trade receivables	64,136,378	10,449,641	74,586,019

Further disclosures on credit risk and expected credit losses (“ECL”) are provided in the following notes: Note 7 - Financial assets at amortised cost, Note 8 - Financial Asset at Fair Value through Other comprehensive income Note 10 - Trade receivables and Note 11(b) - Cash and cash equivalents.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(b) 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. The Company aims at maintaining flexibility in funding by keeping committed credit lines available. Management does not foresee any liquidity risk problems in the future.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Liquidity risk (cont'd)

The Company has strong liquidity position, hence, liquidity risk is considered to be low. Through the application of the liquidity management policy, the Company seeks to maintain sufficient financial resources to meet their obligations as they fall due.

The tables below analyse the Company's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

<u>At December 31, 2022</u>	<u>Undiscounted cashflows</u>						<u>Total</u>
	<u>Carrying amount</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Non-maturity items</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<u>Financial assets</u>							
Financial assets at amortised cost	576,962,622	36,250,858	35,841,258	158,541,979	425,462,177	-	656,096,272
Financial assets at fair value through other comprehensive income	16,521,103	-	-	-	-	16,521,103	16,521,103
Trade receivables	90,565,481	90,565,481	-	-	-	-	90,565,481
Other assets	602,392	602,392	-	-	-	-	602,392
Cash and cash equivalents	137,876,153	137,876,153	-	-	-	-	137,876,153
	<u>822,527,751</u>	<u>265,294,884</u>	<u>35,841,258</u>	<u>158,541,979</u>	<u>425,462,177</u>	<u>16,521,103</u>	<u>901,661,401</u>
<u>Financial liabilities</u>							
Lease liability	1,370,496	1,412,430	-	-	-	-	1,412,430
Other payables	19,618,379	19,618,379	-	-	-	-	19,618,379
	<u>20,988,875</u>	<u>21,030,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,030,809</u>
Net	801,538,876	244,264,075	35,841,258	158,541,979	425,462,177	16,521,103	880,630,592

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Liquidity risk (cont'd)

	Carrying amount	Undiscounted cashflows					Total
		Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Non-maturity items	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<u>At December 31, 2021</u>							
<u>Financial assets</u>							
Financial assets at amortised cost	Rs. 456,297,281	Rs. 14,195,727	Rs. 32,321,301	Rs. 114,715,563	Rs. 353,266,380	Rs. -	Rs. 514,498,971
Financial assets at fair value through other comprehensive income	10,000	-	-	-	-	10,000	10,000
Trade receivables	74,586,019	74,586,019	-	-	-	-	74,586,019
Other assets	599,436	599,436	-	-	-	-	599,436
Cash and cash equivalents	147,118,686	147,118,686	-	-	-	-	147,118,686
	<u>678,611,422</u>	<u>236,499,868</u>	<u>32,321,301</u>	<u>114,715,563</u>	<u>353,266,380</u>	<u>10,000</u>	<u>736,813,112</u>
<u>Financial liabilities</u>							
Lease liability	2,666,534	1,412,430	1,412,430	-	-	-	2,824,860
Other payables	29,253,130	29,253,130	-	-	-	-	29,253,130
	<u>31,919,664</u>	<u>30,665,560</u>	<u>1,412,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,077,990</u>
Net	<u>646,691,758</u>	<u>205,834,308</u>	<u>30,908,871</u>	<u>114,715,563</u>	<u>353,266,380</u>	<u>10,000</u>	<u>704,735,122</u>

3. FINANCIAL RISK MANAGEMENT(CONT'D)

3.1 Financial risk factors (cont'd)

(c) Currency risk

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items. Equity instruments classified as Financial assets at fair value through other comprehensive income have therefore been excluded from the analysis of foreign exchange risk. The Company has investments in financial assets at amortised cost, trade receivables, other assets and cash and cash equivalents denominated in foreign currencies namely US dollar (USD) and Euro (EUR). The Company is exposed to foreign currency risk due to fluctuations in exchange rates.

The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

2022

	MUR	Equivalent in MUR		TOTAL
		USD	EURO	
<u>Financial assets</u>				
Financial assets at amortised cost	-	550,038,543	26,924,079	576,962,622
Trade receivables (gross amount)	63,627,277	29,954,142	-	93,581,419
Other assets	83,952	518,440	-	602,392
Cash and cash equivalents	81,128,889	56,087,887	659,377	137,876,153
	<u>144,840,118</u>	<u>636,599,012</u>	<u>27,583,456</u>	<u>809,022,586</u>
Less: loss allowances				<u>(3,015,938)</u>
				<u>806,006,648</u>
<u>Financial liabilities</u>				
Other payables	19,618,379	-	-	19,618,379
Lease liability	1,370,496	-	-	1,370,496
	<u>20,988,875</u>	<u>-</u>	<u>-</u>	<u>20,988,875</u>

2021

	MUR	Equivalent in MUR		TOTAL
		USD	EURO	
<u>Financial assets</u>				
Financial assets at amortised cost	-	456,297,281	-	456,297,281
Trade receivables (gross amount)	55,062,649	27,006,399	-	82,069,048
Other assets	599,436	-	-	599,436
Cash and cash equivalents	104,884,530	39,290,180	2,943,976	147,118,686
	<u>160,546,615</u>	<u>522,593,860</u>	<u>2,943,976</u>	<u>686,084,451</u>
Less: loss allowances				<u>(7,483,029)</u>
				<u>678,601,422</u>

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Currency risk (cont'd)

	MUR	Equivalent in MUR		TOTAL
		USD	EURO	
<u>2021</u>				
<u>Financial liabilities</u>				
Other payables	29,253,130	-	-	29,253,130
Lease liability	2,666,534	-	-	2,666,534
	<u>31,919,664</u>	<u>-</u>	<u>-</u>	<u>31,919,664</u>

If the rupee had weakened/strengthened against the currencies, mentioned above, with all variables remaining constant, the impact on the profit or loss, other comprehensive income and equity for the year would have been as shown below mainly as a result of foreign exchange gains/losses.

	P&L	Equity
	Rs.	Rs.
<u>At December 31, 2022</u>		
1% change in USD	<u>6,365,990</u>	<u>6,365,990</u>
5% change in EURO	<u>1,379,173</u>	<u>1,379,173</u>
<u>At December 31, 2021</u>		
10% change in USD	<u>52,259,386</u>	<u>52,259,386</u>
1% change in EURO	<u>29,440</u>	<u>29,440</u>

The sensitivity rate reflects the % change of the opening and closing rate of the currencies that the Company deals in.

(d) Interest rate risk

The Company has no significant variable interest-bearing assets and liabilities as at December 31, 2022 and 2021. Hence there are no significant interest rate risk as the company are not exposed to fluctuations in interest rates in the market.

(e) Equity price risk

The Company's exposure to equity securities price risk arises from investments in Swan Global Funds Ltd- Dollar Liquidity Fund classified at fair value through other comprehensive income (FVOCI) as detailed in Note 8. The Investment Committee actively monitors equity assets owned directly by the Company in order to mitigate anticipated unfavourable market movements.

Sensitivity

The impact on the OCI and equity had the equity market values for the level 2 investment increased/decreased with other assumptions left unchanged would have been as follows:

2022	
OCI	Equity
Rs	Rs
1.5%	
247,667	247,667

Change in share price

The % change has been derived from the change of the opening share price as at January 01, 2022 and closing share price as at December 31, 2022.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Company determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Only financial assets at fair value through other comprehensive income are measured at fair value in the separate financial statements.

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 the shareholder and benefits for other stakeholders; and
- to provide an adequate return to the shareholder by pricing services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

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 Significant judgement - Going concern

(a) **Going concern**

The Company's Board has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the separate financial statements have been prepared on a going concern basis.

(b) **Impairment of financial assets**

All of the entity's debt investments are measured at amortised cost. Management considers these debt instruments to have a low credit risk as they have a low risk of default since the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The war in Ukraine has resulted in significant global economic uncertainty and volatility. The effects are likely to interact with and exacerbate the effects of current market conditions.

The Company currently holds two bonds issued by Gaz Capital SA and Gaz Finance PLC on behalf of Gazprom which is based in Russia.

Management has assessed the impact on the ongoing military attack on those two investments as at December 31, 2022. In making the judgements, the Directors have considered the economic sanctions on Russia and related impacts following their close monitoring of the current situation to conclude that no events of defaults have been identified. Hence, the investments have not been impaired as at the reporting date.

Refer to Note 7 for further details.

4.2 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.2 Critical accounting estimates and assumptions (cont'd)****(b) Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for the 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 the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rate 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 obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 13.

(c) Fair valuation**(i) Investments**

Where the fair value of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy.

Valuation techniques that are used to determine fair values, are validated and periodically reviewed by the Investment Committee. The Investment Committee's evaluation takes into consideration a business review of the underlying investment (performance development compared with plans) and the actual and planned transactions in the investments.

The Company has an investment in Swan Global Funds Ltd- Dollar Liquidity Fund which has been categorised as a Level 2 financial asset at fair value through other comprehensive income. The investment is fair valued using the use the Net asset value ("NAV") valuation method of the fund.

(ii) Asset held for sale

The determination of fair value for businesses and assets held for sale involves significant judgments and assumptions. Development of estimates of fair values in this circumstance is complex and is dependent upon, among other factors, the nature of the potential sales transaction (for example, asset sale versus sale of legal entity), composition of assets and/or businesses in the disposal group and the comparability of the disposal group to market transactions. Such factors bear directly on the range of potential fair values and the selection of the best estimates. Key assumptions are developed based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.2 Critical accounting estimates and assumptions (cont'd)****(c) Fair valuation (cont'd)****(ii) *Asset held for sale (cont'd)***

During the financial year ended December 31, 2022, the Company has reclassified its investment in subsidiary as assets held for sale as detailed in note 6B. The fair value has been determined using the net asset valuation approach and is categorised as a level 3 fair value measurement.

Both the financial asset at fair value through other comprehensive income and investment held for sale have been fair valued using the net asset valuation approach.

This valuation technique involves deriving the value of a business by reference to the value of its net assets. This valuation technique is likely to be appropriate for a business whose value derives mainly from the underlying fair value of its assets rather than its earnings.

(d) Asset lives and residual values

Equipment 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. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(e) Depreciation policies

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) Right-of-Use Assets and Lease Liabilities

The Company was not able to readily determine the interest rate implicit in the lease; therefore, they used their incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Judgement is applied in determining the components of the IBR used for each lease including risk-free rates, the Company's credit risk and any lease-specific adjustments. Since the Company does not have any borrowings, the Company has used the Prime Lending Rate (PLR) as its IBR.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

5. EQUIPMENT	Motor Vehicles	Computer Equipment	Furniture & Fittings	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At January 1, 2021	1,280,000	2,607,148	413,118	4,300,266
Additions	-	652,323	-	652,323
Disposals	(1,280,000)	-	-	(1,280,000)
At December 31, 2021	-	3,259,471	413,118	3,672,589
Additions	-	668,163	-	668,163
Write off	-	(2,046,134)	-	(2,046,134)
At December 31, 2022	-	1,881,500	413,118	2,294,618
DEPRECIATION				
At January 1, 2021	1,280,000	2,215,108	317,123	3,812,231
Charge for the year	-	446,823	15,968	462,791
Disposal adjustment	(1,280,000)	-	-	(1,280,000)
At December 31, 2021	-	2,661,931	333,091	2,995,022
Charge for the year	-	587,692	15,969	603,661
Write off adjustment	-	(2,046,134)	-	(2,046,134)
At December 31, 2022	-	1,203,489	349,060	1,552,549
NET BOOK VALUE				
At December 31, 2022	-	678,011	64,058	742,069
At December 31, 2021	-	597,540	80,027	677,567
5A. RIGHT-OF-USE ASSET				
		Building		
		2022	2021	
		Rs.	Rs.	
At January 1,		2,561,335	3,790,771	
Depreciation		(1,229,436)	(1,229,436)	
At December 31,		1,331,899	2,561,335	

- (a) Depreciation charge of Rs. 1,229,436 (2021: Rs. 1,229,436) has been included in administrative expenses.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

5B. LEASE LIABILITY

	Building	
	2022	2021
	Rs.	Rs.
At January 1,	2,666,534	3,892,146
Interest expense	116,394	186,820
Lease payments	(1,412,432)	(1,412,432)
At December 31,	1,370,496	2,666,534
Current	1,370,496	1,296,031
Non-current	-	1,370,503
	1,370,496	2,666,534

The Company leases its office space from Swan Life Ltd. There are no variable lease payments, extension and termination options included in the lease agreement.

(i) 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.

	2022	2021
	Rs.	Rs.
(ii) Interest expense (included in finance costs)	116,394	186,820

The total cash outflow for leases in 2022 was Rs.1,412,432 (2021: Rs.1,412,132).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

6A. INVESTMENT IN SUBSIDIARY COMPANY

	2022	2021
	Rs.	Rs.
At January 1,	1,300,000	1,300,000
Transfer to asset held for sale (note 6B)	(1,300,000)	-
At December 31,	-	1,300,000

Details of the subsidiary company are as follows:

	Class of shares held	Year end	Proportion of of ownership interest direct	Nominal value of investment	Country of incorporation and operation	Main business
<u>2021</u>						
Swan Corporate Advisors Ltd	Ordinary shares	December 31	100%	1,300,000	Mauritius	Services

- (i) The Company has taken advantage of the exemption under IFRS 10 "Consolidated Financial Statements" paragraph 4, from the requirement to prepare consolidated financial statements as its intermediate holding company, Swan Life Ltd prepares consolidated financial statements that complies with IFRS. A copy of the consolidated financial statements is available at the head office of Swan Life Ltd found at Swan Centre, 10, Intendance Street, Port Louis.

6B. ASSET HELD FOR SALE

	2022	2021
	Rs.	Rs.
At January 1,	-	-
Transfer from investment in subsidiary (note 6A)	1,300,000	-
At December 31,	1,300,000	-

Following a restructuring exercise during the financial year, the Board of Directors has approved the transfer of ownership of the Company's 100% shareholding in its subsidiary, Swan Corporate Advisors Ltd, to its intermediate holding company, Swan Life Ltd. As all the criteria in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations have been met, the investment in subsidiary has been presented as a separate line item ('Non-Current Asset Held for Sale') in the separate statement of financial position.

The investment in subsidiary classified as non-current asset held for sale during the reporting period was measured at its existing carrying amount which is lower than its fair value less costs to sell at the time of the reclassification.

The fair value of the investment was determined at Rs 4,728,850 using the Net Assets Valuation Technique, as described in note 4.2 (c) (ii) and has been categorised as a level 3 fair value measurement.

As at December 31, 2022, the Company was awaiting the approval of the regulatory authorities before proceeding with the transfer. The approval was obtained, subsequent to year end, on January 04, 2023.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

7. FINANCIAL ASSETS AT AMORTISED COST	2022	2021
	Rs.	Rs.
At January 1,	456,297,281	212,085,512
Additions*	117,869,722	380,922,582
Net interest accrued movement	12,087,325	8,005,475
Interest received	(15,988,693)	(10,597,626)
Transfer to other assets **	(518,440)	-
Maturity	-	(165,407,768)
Foreign exchange gains	7,215,427	31,289,106
At December 31,	576,962,622	456,297,281

* Additions include dividend reinvested of Rs.4,273,071 (2021: Rs.3,010,569) which is a non-cash item.

** Relates to interest due as at December 31, 2022 classified under other assets.

<i>Analysed as follows :</i>	2022	2021
	Rs.	Rs.
Current	18,707,870	-
Non-current	558,254,752	456,297,281
	576,962,622	456,297,281

No impairment loss has been identified on financial assets at amortised cost in the financial year 2022 (2021: Nil).

On February 24, 2022, Russian troops launched a military attack on Ukraine and the war is ongoing to the date of signature of these financial statements. In response, the large western economies have imposed economic sanctions on Russia and Russian companies closely related with the Russian regime. As a result, a number of large western companies have discontinued or put on hold their business relationships with Russian entities. Several Russian companies listed overseas have had their listing suspended on these stock exchanges, and Russian companies using non-Russian international financial intermediaries have been unable to properly administer and service their bonds vis-à-vis non-Russian bondholders.

Swan Wealth Managers Ltd ("SWML") currently holds two bonds issued by Gaz Capital SA and Gaz Finance PLC on behalf of Gazprom. As at reporting date, the amount invested in the two bonds amounted to Rs 21,773,425 and Rs 66,960,147 and their maturity date being March 2027 and July 2031 respectively. As SWML's intention is to hold the bonds to maturity and to collect interest payment and the principal value at maturity date, these bonds have been valued at amortized cost. Moody's, Fitch, and Standard & Poor's downgraded the bonds' ratings to junk status shortly after the Russian invasion and subsequently withdrew their credit ratings on account of the sanctions. From September 2022 till date, SWML Ltd has not received any coupon payments. There are no modifications on the contractual terms of the bonds as at December 31, 2022.

Management is following the matter closely with international correspondents, namely Euroclear Bank, Citibank, and Deutsche Bank and note that following the economic sanctions, Gazprom has been facing administrative and technical constraints to effect payments to non-Russian bondholders. We also note that the bonds held by SWML have been replaced with Ruble-denominated bonds. This demonstrates Gazprom's commitment to servicing its obligations. However, as per the guidelines, the only bonds accepted for replacement are those which are recorded in Russian depositories. As SWML's bonds are currently held with Deutsche Bank AG Depository, they were not entitled for replacement.

7. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

Furthermore, Gazprom's financials have improved, depicting higher net income of USD 35bn and lower net debt reported for the first half of 2022. Additionally, parallel to Russia's falling gas exports to Europe, the former has turned to other strategic partners like India and China to sustain revenues. For example, the exports of pipeline gas to China are projected to grow in 2024-2025 via the Power of Siberia 1 and 2 pipelines. The upcoming pipeline Power of Siberia 2 is expected to divert Europe-bound gas exports to China. This supports the Company's ability to meet its debt obligations.

As per the bonds' respective prospectus, an event of default excludes instances whereby coupon payments fail to reach bondholders due to administrative, technical difficulties or any governmental action contested by Gazprom. The prospectuses also mention that a notice of default is required to be delivered by Gazprom "stating whether any event which is a Potential Event of Default or an Event of Default has occurred, its status and what action Gazprom is taking or proposed to take with respect thereto". As at date, SWML has not received any notice of default from its custodian bank. Based on the above, the Directors are of the opinion that no event of default has been triggered, that at December 31, 2022 there is no indication of impairment of these instruments, and that they do not need to be impaired.

(a) <i>Fair values of financial assets at amortised cost</i>	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Foreign:		
<i>Level 1:</i>		
Corporate Bonds	374,790,411	332,081,198
Equity securities	<u>121,176,579</u>	<u>121,669,411</u>
	<u>495,966,990</u>	<u>453,750,609</u>

The fair values of the corporate bonds and the equity securities are based on published market prices.

(b) Risk exposure

The carrying value of the financial assets at amortised cost is denominated in the following currency:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
USD	550,038,543	456,297,281
EURO	<u>26,924,079</u>	-
	<u>576,962,622</u>	<u>456,297,281</u>

- (c) Swan Wealth Managers Ltd, as a Participant in the Euroclear System, has provided a pledge of proprietary collateral in favour of Euroclear Bank, for a collateral value of not less than US Dollars One Million (USD 1,000,000), such pledge being in support of any borrowings that Swan Wealth Managers Ltd may resort to from Euroclear Bank. At December 31, 2022, the proprietary collateral comprised of international corporate bonds.

Swan Wealth Managers Ltd does not have any borrowings with Euroclear Bank.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income at December 31:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	10,000	10,000
Additions	16,747,633	-
Fair value movement	(236,530)	-
At December 31,	<u>16,521,103</u>	<u>10,000</u>

Financial assets at fair value through other comprehensive income comprise of:

- management shares in Swan Global Funds Ltd amounting to Rs 10,000 as at December 31, 2022 (2021: Rs 10,000); and
- investments in Swan Global Funds Ltd- Dollar Liquidity Fund amounting to Rs 16,511,103 as at December 31, 2022 (2021: Nil).

These investments have been designated as level 3 and 2 investments respectively.

(ii) 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.

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

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
MUR	10,000	10,000
USD	16,511,103	-
	<u>16,521,103</u>	<u>10,000</u>

9. DEFERRED INCOME TAX

(a) Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2021: 17%).

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. The following amounts are shown in the separate statement of financial position:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Deferred tax assets	<u>2,049,046</u>	<u>2,474,719</u>

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

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	2,474,719	2,149,362
(Charged)/credited to the separate statement of profit or loss (note 15(a))	(816,272)	480,607
Credited/(charged) to other comprehensive income (note c)	390,599	(155,250)
At December 31,	<u>2,049,046</u>	<u>2,474,719</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

9. DEFERRED INCOME TAX (CONT'D)

- (c) The movement on the 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:

<u>Deferred tax (liabilities)/assets:</u>	<u>Accelerated tax depreciation</u>	<u>Retirement benefit obligations</u>	<u>Lease liability</u>	<u>Right-of-use assets</u>	<u>Expected credit losses</u>	<u>Total</u>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2021	(28,029)	1,460,542	661,665	(644,429)	699,613	2,149,362
(Charged)/credited to the separate statement of profit or loss (note 15(a))	(10,231)	(82,316)	(208,354)	209,004	572,504	480,607
Charged to other comprehensive income	-	(155,250)	-	-	-	(155,250)
At December 31, 2021	(38,260)	1,222,976	453,311	(435,425)	1,272,117	2,474,719
(Charged)/credited to the separate statement of profit or loss (note 15(a))	(45,301)	(244)	(220,326)	209,004	(759,405)	(816,272)
Credited to other comprehensive income	-	390,599	-	-	-	390,599
At December 31, 2022	(83,561)	1,613,331	232,985	(226,421)	512,712	2,049,046

10. TRADE RECEIVABLES

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Amounts receivable from related parties (note 23)	54,275,440	36,149,210
Trade receivables	39,305,979	45,919,838
Less: expected credit losses	(3,015,938)	(7,483,029)
	90,565,481	74,586,019

(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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

10. TRADE RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The expected loss rates are based on the payment profiles of sales over a period of 60 months and 48 months before December 31, 2022 or January 1, 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP of Mauritius to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in the GDP.

The Company does not expect any default from related parties and is certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is therefore negligible and the Company has not accounted for any impairment loss.

On that basis, the loss allowance as at December 31, 2022 and December 31, 2021 was determined as follows for trade receivables:

At December 31, 2022	0-30 days	30-60 days	60-90 days	90-180 days	180-360 days	Above 360 days	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade receivables							39,305,979
Less: commission receivable							(28,462,766)
Gross carrying amount - trade receivables							10,843,213
Expected loss rate (Limited to 2 decimal places)	8.23%	28.18%	28.18%	28.18%	45.40%	72.18%	27.81%
Gross carrying amount - trade receivables	5,773,355	11,895	926,863	791,581	1,333,155	2,006,364	10,843,213
Loss allowance	474,865	3,352	261,152	223,035	605,314	1,448,220	3,015,938

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

10. TRADE RECEIVABLES (CONT'D)

(i) Impairment of trade receivables (cont'd)

At December 31, 2021	Not due	30-60 days	60-90 days	90-180 days	180-360 days	Above 360 days	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade receivables							45,919,838
Less: commission receivable							(26,020,262)
Gross carrying amount - trade receivables							<u>19,899,576</u>
Expected loss rate (Limited to 2 decimal places)	0.23%	26.50%	26.51%	26.70%	43.56%	89.76%	37.60%
Gross carrying amount - trade receivables	5,331,051	1,983,779	2,135,105	3,101,662	2,261,041	5,086,938	19,899,576
Loss allowance	12,210	525,711	565,945	828,140	984,822	4,566,201	7,483,029

The closing loss allowances for trade receivables as at December 31, reconcile to the opening loss allowances as follows:

	2022			2021
	Specific provision	2022 ECL	2022 Total	Total
	Rs.	Rs.	Rs.	Rs.
At January 1,	3,190,902	4,292,127	7,483,029	4,115,370
Loss allowance recognised in profit or loss during the year	-	(1,276,189)	(1,276,189)	3,367,659
Amount written off	(3,190,902)	-	(3,190,902)	-
At December 31,	-	3,015,938	3,015,938	<u>7,483,029</u>

(ii) During the year, trade receivables amounting to Rs 87,553, which was not previously provided for, has been written-off (2021:Nil).

	2022	2021
	Rs.	Rs.
Impairment of financial assets	<u>87,553</u>	<u>-</u>

10. TRADE RECEIVABLES (CONT'D)

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

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
MUR	60,611,339	47,579,620
USD	29,954,142	27,006,399
	<u>90,565,481</u>	<u>74,586,019</u>

(iv) The maximum exposure to credit risk at the reporting date is the carrying value of the receivable mentioned above. The carrying value of trade receivables approximates its fair value. The Company does not hold any collateral as security.

11. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of liability arising from financing activities

	2021	Interest accrued	Cash flows	2022
	Rs.	Rs.	Rs.	Rs.
Lease liability	2,666,534	116,394	(1,412,432)	1,370,496

	2020	Interest accrued	Cash flows	2021
	Rs.	Rs.	Rs.	Rs.
Lease liability	3,892,146	186,820	(1,412,432)	2,666,534

(b) Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Cash in hand and at bank	137,876,153	147,118,686

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

(c) Non-cash transactions

The principal non-cash transaction is the acquisition of financial assets at amortised cost amounting to Rs.4.27 M (2021: Rs.3.01 M) (refer to note 7).

12. SHARE CAPITAL

	Number of shares	Authorised, Issued and Fully paid	
	<u>2022 & 2021</u>	<u>2022</u>	<u>2021</u>
		Rs.	Rs.
At December 31, 2022 and 2021	16,000	1,600,000	1,600,000

The total authorised number of ordinary shares is 16,000 shares (2021: 16,000 shares) with a par value of Rs.100 per share (2021: Rs.100 per share). All issued shares are fully paid.

Each share confers to its holders the right to one vote at general meetings of the Company and a proportional right to dividends.

13. RETIREMENT BENEFIT OBLIGATIONS	2022	2021
	Rs.	Rs.
Amounts recognised in the separate statement of financial position:		
Defined pension benefits (note (a)(ii))	2,239,280	2,332,242
Other post retirement benefits (note (b)(ii))	7,250,896	4,861,744
	<u>9,490,176</u>	<u>7,193,986</u>
Analysed as follows:		
Non-current liabilities	<u>9,490,176</u>	<u>7,193,986</u>
Amounts charged to profit or loss		
-Defined pension benefits (note (a)(vi))	295,063	383,946
-Other post retirement benefits (note (b)(v))	2,637,470	685,376
	<u>2,932,533</u>	<u>1,069,322</u>
Amounts (credited)/charged to other comprehensive income		
-Defined pension benefits (note (a)(vii))	2,545,945	(787,046)
-Other post retirement benefits (note (b)(vi))	(248,318)	(126,189)
	<u>2,297,627</u>	<u>(913,235)</u>

(a) **Defined pension benefits**

- (i) The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a guaranteed level of pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are held independently and administered by Swan Life Ltd.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at December 31, 2022 by Swan Life Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

- (ii) The amounts recognised in the separate statement of financial position are as follows:

	2022	2021
	Rs.	Rs.
Present value of funded obligations	14,142,515	10,749,169
Fair value of plan assets	(11,903,235)	(8,416,927)
Liabilities in the separate statement of financial position	<u>2,239,280</u>	<u>2,332,242</u>

- (iii) The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	2022	2021
	Rs.	Rs.
At January 1,	2,332,242	4,288,874
Charged to profit or loss	295,063	383,946
Charged/(credited) to other comprehensive income	2,545,945	(787,046)
Employer's contribution	(2,933,970)	(1,553,532)
At December 31,	<u>2,239,280</u>	<u>2,332,242</u>

13. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(a) Defined pension benefits (cont'd)

(iv) The movement in the defined benefit obligation over the year is as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	10,749,169	10,881,557
Current service cost	263,174	213,513
Interest expense	447,013	280,164
Remeasurements:		
-Actuarial losses/(gains) arising from:		
- plan experience	1,448,207	(1,182,600)
- financial assumptions	1,234,952	556,535
At December 31,	14,142,515	10,749,169

(v) The movement in the fair value of plan assets of the year is as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	8,416,927	6,592,683
Remeasurements:		
- Expected return on plan assets	415,124	190,805
Employer contributions	2,933,970	1,553,532
Actuarial gains	137,214	160,981
Scheme expenses	-	(61,561)
Cost of insuring risk benefits	-	(19,513)
At December 31,	11,903,235	8,416,927
Actual return on plan assets	552,338	351,786

(vi) The amounts recognised in profit or loss are as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Current service cost	263,174	213,513
Scheme expenses	-	61,561
Net interest cost	31,889	89,359
Cost of insuring risk benefits	-	19,513
Total included in employee benefit expenses	295,063	383,946

(vii) The amounts recognised in other comprehensive income are as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Experience losses/ (gains) on the liabilities	1,448,207	(1,182,600)
Changes in assumptions underlying the present value of the scheme	1,234,952	556,535
Gains on pension scheme assets	(137,214)	(160,981)
	2,545,945	(787,046)

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(viii) The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for group pension schemes. It is a long-term investment policy which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as equity funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4.0% p.a.

(ix) The principal actuarial assumptions used for the purposes of the actuarial valuation were:

	<u>2022</u>	<u>2021</u>
Discount rate	5.9%	4.2%
Minimum guaranteed return	4.0%	4.0%
Future long-term salary increase	4.0%	3.0%
Future pension increase	0.0%	0.0%
Average retirement age	60	60
NPS ceiling increase	4.0%	4.0%
Post retirement annuity rates	Swan rates	Swan rates
	2022	2021

(x) Sensitivity analysis on defined benefit obligation at end of reporting period:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Increase in defined benefit obligation due to 1% decrease in discount rate	707,536	623,927
Decrease in defined benefit obligation due to 1% increase in discount rate	648,501	563,285
Increase in defined benefit obligation due to 1% increase in salary increase assumption	629,150	545,748
Decrease in defined benefit obligation due to 1% decrease in salary increase assumption	591,033	507,423

The sensitivity analysis above has 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.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The defined benefit pension plan exposes the Company to actuarial risks, such as investment, interest, longevity and salary risks.

- Investment risk - For funded benefits, the expected returns on assets is aligned with the discount rate. Should the actual return on the assets of the plan be lower than the discount rate, a deficit will arise.
- Interest rate risk - If the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate, and would therefore increase.

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

- (xi) Mortality/Longevity risk - Lower pensioner mortality in retirement will result in pensions being paid for longer than expected.
- Salary risk - If salary increases are higher than assumed, the liabilities would increase giving rise to actuarial losses.
- (xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.
- (xiii) Swan Wealth Managers Ltd is expected to make contributions of around Rs 1.7m to the pension scheme for the year ending December 31, 2023.
- (xiv) The weighted average duration of the defined benefit obligation is 5 years at the end of the reporting period (2021: 6 years).

(b) Other post retirement benefits

- (i) Other post retirement benefits comprise mainly of gratuity on retirement payable under the Mauritian Workers' Rights Act 2019 (2019: Employment Rights Act 2008) and other benefits.

The plan provides statutory benefits in terms of the Mauritian Workers' Rights Act 2019 (WRA) in the form of a lump sum on retirement or death in service. For employees who are members of a pension plan, half of any lump sum plus 5 years of pension payments (in respect of the employer's share of contributions only) payable from the pension plan are offset against the gross benefit due.

- (ii) The amounts recognised in the separate statement of financial position are as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Present value of obligations	<u>7,250,896</u>	4,861,744
Liability in the separate statement of financial position	<u><u>7,250,896</u></u>	<u><u>4,861,744</u></u>

- (iii) The reconciliation of the opening balances to the closing balances for the other post retirement benefits is as follows:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	<u>4,861,744</u>	4,302,557
Amount recognised in profit or loss	<u>2,637,470</u>	685,376
Amount recognised in other comprehensive income	<u>(248,318)</u>	(126,189)
At December 31,	<u><u>7,250,896</u></u>	<u><u>4,861,744</u></u>

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(iv) The movement in the present value of other post retirement benefits over the year is as follows:

	2022	2021
	Rs.	Rs.
At January 1,	4,861,744	4,302,557
Current service cost	894,155	570,754
Interest expense	208,645	114,622
Past service cost	1,534,670	-
Actuarial losses	(248,318)	(126,189)
At December 31,	7,250,896	4,861,744

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

	2022	2021
	Rs.	Rs.
Current service cost	894,155	570,754
Net interest cost	208,645	114,622
Past service cost	1,534,670	-
Total included in employee benefit expenses	2,637,470	685,376

(vi) The amounts recognised in other comprehensive income are as follows:

	2022	2021
	Rs.	Rs.
Actuarial losses on liabilities due to experience assumptions	547,577	347,539
Changes in assumptions underlying the present value of the scheme	(795,895)	(473,728)
	(248,318)	(126,189)

(vii) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	2022	2021
	Rs.	Rs.
Discount rate	5.9%	4.2%
Future long-term salary increase	4.0%	3.0%
Average retirement age	60	60
NPS ceiling increase	4.0%	4.0%
Post retirement annuity rates	Swan Rates	Swan Rates
	RPF Rates 2022	2021

(viii) Sensitivity analysis on other post retirement benefits obligations at end of the reporting period

	2022	2021
	Rs.	Rs.
Impact on present value of defined benefit obligation:		
Increase in defined benefit obligation due to 1% decrease in discount rate	1,677,249	1,158,752
Decrease in defined benefit obligation due to 1% increase in discount rate	1,356,007	932,932
Increase in defined benefit obligation due to 1% increase in salary increase assumption	1,675,239	1,161,236
Decrease in defined benefit obligation due to 1% decrease in salary increase assumption	1,373,311	950,947

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

(viii) The sensitivity analysis above has 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.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- (ix) The defined benefit pension plan exposes the Company to actuarial risks, such as investment, interest, longevity and salary risks.
- (x) The Company does not expect to make any plan benefit payments for the year ending December 31, 2023.
- (xi) The weighted average duration of the defined benefit obligation is 19 years at the end of the reporting period (2021: 18 years).

14. OTHER PAYABLES

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Amounts due to related parties (note 23)	15,394,831	25,908,086
Other payables	4,223,548	3,345,044
	<u>19,618,379</u>	<u>29,253,130</u>

The carrying amounts of the Company's other payables are denominated in the following currency:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
MUR	<u>19,618,379</u>	<u>29,253,130</u>

The carrying amounts of other payables approximate their fair values.

15. INCOME TAX

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
(a) Current tax on the adjusted profit for the year at 15% (2021: 15%)	7,930,221	8,970,605
(Over)/ Under provision in prior year	(2,075,614)	2,075,602
Deferred tax movement (note 9(b))	816,272	(480,607)
Corporate social responsibility	1,062,455	1,196,081
	<u>7,733,334</u>	<u>11,761,681</u>

15. INCOME TAX (CONT'D)

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

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Profit before tax	239,030,408	281,069,941
Tax calculated at the rate of 15% (2021: 15%)	35,854,562	42,160,491
Corporate social responsibility liability	1,062,455	1,196,081
Expenses not deductible for tax purposes	751,417	127,817
Expenses relating to exempt income	10,133,979	6,684,249
Income not subject to tax	(2,570,734)	(5,074,134)
Income from specified financial services	(36,200,805)	(35,371,764)
Foreign tax credit	(38,198)	-
(Over)/ Under provision in prior year	(2,075,614)	2,075,602
Others	816,272	(36,661)
	<u>7,733,334</u>	<u>11,761,681</u>

- (c) *Current tax liabilities/(assets)*

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
At January 1,	5,272,152	(1,175,457)
(Over)/ Under provision in prior year	(2,075,614)	2,075,602
Corporate social responsibility	1,062,455	1,196,081
Charge for the year	7,930,221	8,970,603
Corporate tax paid during the year	(2,000,458)	-
Corporate social responsibility contributions during the year	(971,815)	(225,036)
Payment under Advance Payment System (APS)	(6,727,954)	(5,569,641)
At December 31,	<u>2,488,987</u>	<u>5,272,152</u>

16. DIVIDEND PER SHARE

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
<u>Declared and paid</u>		
Final dividend declared of Rs. 4,688 (2021: Rs.4,875) per ordinary share.	<u>75,000,000</u>	<u>78,000,000</u>

17. REVENUE

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
The following is an analysis of the Company's revenue for the year:		
Revenue from rendering of services	301,676,079	295,217,691
Revenue from contracts with customers (note 17(a))	<u>301,676,079</u>	<u>295,217,691</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

17. REVENUE (CONT'D)

(a) Disaggregation of revenue from contracts with customers:	2022	2021
	Rs.	Rs.
Timing of revenue recognition		
<i>At a point in time:</i>		
Management fees	198,372,227	190,698,544
Commission and fees	103,303,852	104,519,147
	<u>301,676,079</u>	<u>295,217,691</u>
	<u>2022</u>	2021
	Rs.	Rs.
Group		
-Management fees (note 23)	160,985,465	150,393,967
Non-group		
-Management fees	37,386,762	40,304,577
-Commission and fees	103,303,852	104,519,147
	<u>301,676,079</u>	<u>295,217,691</u>
18. OTHER INCOME	<u>2022</u>	2021
	Rs.	Rs.
Dividend income (note 7)	4,273,071	3,010,569
Interest income (note 7)	12,087,325	8,005,475
Others	60,253	-
	<u>16,420,649</u>	<u>11,016,044</u>
19. FINANCE COSTS	<u>2022</u>	2021
	Rs.	Rs.
Interest expense: lease liability (note 5B)	116,394	186,820
20. OTHER GAINS	<u>2022</u>	2021
	Rs.	Rs.
Net foreign exchange gains	6,888,340	36,388,116
Profit on disposal of equipment	-	130,000
Other gains	-	41,289
	<u>6,888,340</u>	<u>36,559,405</u>
21. ADMINISTRATIVE EXPENSES	<u>2022</u>	2021
	Rs.	Rs.
Depreciation on equipment (note 5)	603,661	462,791
Depreciation of right-of-use assets (note 5A)	1,229,436	1,229,436
Rebilling expenses	14,559,456	14,385,260
Advertising	6,605,433	4,200,414
Professional fees	3,368,742	1,109,405
Subscriptions	5,137,056	1,272,730
Insurances	917,241	515,847
Overseas travelling*	787,610	(236,134)
Other expenses**	7,891,522	2,518,682
	<u>41,100,157</u>	<u>25,458,431</u>

21. ADMINISTRATIVE EXPENSES (CONT'D)

* Overseas travelling consisted of a negative amount of Rs.236,134 relating to a refund of air ticket in prior year.

** Other expenses mainly include communication fees, directors fees, administrative costs and license fees.

21(a) Analysis of employee benefit expenses:

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Salaries and wages	36,970,262	26,271,138
Retirement benefit obligations (note 13)	2,932,534	1,069,322
Other costs	6,023,949	5,369,829
	<u>45,926,745</u>	<u>32,710,289</u>

22. EARNINGS PER SHARE

	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Profit attributable to equity holder of the Company	<u>231,297,074</u>	<u>269,308,260</u>
Weighted Average Number of ordinary shares (Basic)	<u>16,000</u>	<u>16,000</u>
Basic Earnings per share (Rs/cts)	<u>14,456</u>	<u>16,832</u>

The calculation of basic earning per share has been based on the above profit attributable to ordinary shareholder and weighted average number of ordinary shares outstanding.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

23. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2022 and 2021, the Company traded with related parties. The nature and balances with related parties are as follows:

	Sales of services	Purchase of services	Rebilling expense	Interest expense	Dividends	Investment	Lease Liability	Amount owed from related parties	Amount owed to related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2022									
Ultimate holding company	7,842,746	2,013,709	-	-	-	-	-	2,649,739	17,941
Intermediate holding company	127,063,536	-	14,559,456	116,394	-	-	1,370,496	40,887,805	14,762,384
Immediate holding company	-	-	-	-	75,000,000	-	-	-	-
Subsidiary	-	-	-	-	-	1,300,000	-	-	-
Other related party	-	-	-	-	-	16,521,103	-	-	-
Entities under common control	26,079,183	180,000	-	-	-	-	-	10,737,896	614,506
2021									
Ultimate holding company	8,073,850	1,780,794	-	-	-	-	-	1,956,524	-
Intermediate holding company	122,829,723	-	14,385,260	186,820	-	-	2,666,534	21,655,237	23,680,895
Immediate holding company	-	-	-	-	78,000,000	-	-	-	-
Subsidiary	-	-	-	-	-	1,300,000	-	-	-
Other related party	-	-	-	-	-	10,000	-	-	0
Entities under common control	19,490,394	180,000	-	-	-	-	-	12,537,449	2,227,191

Entities under common control include:

Entities	Nature of relationship
- Swan Digital Ltd	Owned by Swan General Ltd (the ultimate holding company)
- Swan Wealth Structured Products Ltd	Owned by Swan General Ltd (the ultimate holding company)
- Swan Securities Ltd	Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)
- Swan Smart Achiever Notes Ltd	Owned by Swan General Ltd (the ultimate holding company)
- Swan Wealth International Ltd	Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)
- Swan Corporate Affairs Ltd	Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)
- Swan Reinsurance PCC	Owned by Swan General Ltd (the ultimate holding company)
- Sacos Group Ltd	Owned by Swan General Ltd (the ultimate holding company)
- Swan Special Risks Company Limited	Owned by Swan General Ltd (the ultimate holding company)
- Liberty Health Cell	Cell managed by Swan Reinsurance PCC (Owned by Swan General Ltd (the ultimate holding company))

Other related Party:

Entities	Nature of relationship
- Swan Global Funds Ltd	Management shares owned by the Company (Note 8)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2022

23. RELATED PARTY TRANSACTIONS (CONT'D)

- (i) The above transactions have been made on normal commercial terms and in the normal course of business.
- (ii) Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.
- (iii) There has been no guarantees provided or received for any related party receivables or payables.
- (iv) For the year ended December 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties.

(a) Key management personnel compensation	<u>2022</u>	<u>2021</u>
	Rs.	Rs.
Salaries and short-term employee benefits	11,882,073	12,389,461
Post employment benefits	540,584	398,604
	<u>12,422,657</u>	<u>12,788,065</u>

24. IMMEDIATE HOLDING, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company is controlled by Swan Financial Solutions Ltd which owns 100% of the Company's shares and is the immediate holding company. The intermediate holding company is Swan Life Ltd and its ultimate holding company is Swan General Ltd. All companies are incorporated in Mauritius and their registered offices are situated at Swan Centre, 10 Intendance Street, Port Louis.

25. EVENTS AFTER THE REPORTING DATE

- (i) Asset held for sale
On January 04, 2023, the regulatory authorities have approved the transfer of ownership of the investment in subsidiary classified as held for sale as at December 31, 2022 (refer to note 6B).
- (ii) Bonds issued by Credit Suisse AG
Following the failures of US-based Silicon Valley Bank and Signature Bank, markets turned their attention to Europe's financial sector's health. When Credit Suisse revealed "material weaknesses in its financial reporting procedures" in mid-March 2023, its share price plunged. Saudi National Bank confirmed that it could not provide additional funding to Credit Suisse provided the final blow, prompting the announcement of a loan of up to CHF 50 billion (USD54.2 billion) from Swiss National Bank ("SNB"). The loan intervention failed to quell investors' fears and Swiss authorities finally brokered the bank's emergency sale to UBS to restore financial stability. UBS offered USD3.25bn in stock to buy Credit Suisse and negotiated for state support including a CHF 100bn liquidity line from SNB and government loss guarantee of up to CHF 9bn, after it had borne the first CHF 5bn itself.

Moreover, the Swiss regulator, FINMA instructed Credit Suisse to write off its Additional Tier 1 Capital ("AT1"), comprising of bonds worth approximately CHF 16bn. Under the post-financial crisis Basel III framework, AT1 bondholders are placed above stock investors. However, the AT1 instruments issued by Credit Suisse contractually provided that they would be completely written down in a 'viability event,' in particular if "extraordinary government support is granted". Given that liquidity assistance loans were granted to Credit Suisse, the contractual condition for the write-off of AT1 instruments was met.

25. **EVENTS AFTER THE REPORTING DATE (CONT'D)**(ii) *Bonds issued by Credit Suisse AG (cont'd)*

Swan Wealth Managers Ltd ("SWML") currently holds one bond issued by Credit Suisse AG amounting to Rs 18,707,870, with a maturity date of August 08, 2023. The bond held by SWML is not classified as AT1 and is therefore not impacted by the aforementioned write off. The bond currently held by SWML is classified as Tier 2 which is higher in seniority in the loss absorption waterfall mechanism. At investment date, the amount invested in the bond amounted to USD 471,813 (Rs 18,569,743) compared to a market value of USD 404,064 (Rs 17,742,460) as at December 31, 2022. Currently, the bond is trading at approximately USD 92.60 and is up by 64% from March 17, 2023, highlighting market's optimism over the merger deal.

SWML's intention is to hold the bonds to maturity and to collect interest payment and the principal value at maturity date, these bonds have been valued at amortized cost. To date, SWML has received all contractual coupon payments from the issuer. Additionally, there is a downside protection of CHF 25 billion (write-off of AT1 instruments and Swiss government loss guarantee) along with a liquidity support of CHF 100 billion from SNB to support Credit Suisse's capital base. There is also more pressure on FINMA to respect the European hierarchy of restitution, following major central banks' reassurance that common equity instruments are the first ones to absorb losses. Based on the above, the Directors are of the opinion that the bonds issued by Credit Suisse and in which SWML has invested, do not indicate the need for any impairment.

(iii) *Acquisition of Rogers Capital Finance Ltd*

In financial year 2022, Management informed the Board of Directors that it had initiated discussions with Rogers Capital Ltd ("RCL") regarding an opportunity to take a controlling stake in Rogers Capital Finance Ltd, a 100% subsidiary of RCL. While the methodology of arriving at the investment consideration has been agreed, the final investment figure, which is expected to range between Rs 150m and Rs 160m, is yet to be determined. Provided that Swan Wealth Managers Ltd (the "Company") receives regulatory approval from the Financial Services Commission ("FSC"), the investment under consideration will be channelled through a subsidiary that will be incorporated, wholly-owned, and capitalised by Swan Wealth Managers Ltd. At its Board Meeting of December 15, 2022, the Directors of the Company approved the contemplated investment subject to the Company receiving regulatory approval.

On February 08, 2023, the FSC issued a letter informing the Company that it had approved the latter's request to create a wholly-owned subsidiary for the investment being considered. As at date of signature of these Financial Statements, the wholly owned subsidiary – Swan Wealth Investment Holdings Ltd – has been incorporated and the Company is now finalising the Share Purchase Agreement and Shareholding Agreement with Rogers Capital Ltd.

Except from the above, there are no other material events after the reporting date which would require disclosures or adjustments in the separate financial statements for the year ended December 31, 2022.