

SWAN WEALTH MANAGERS LTD

ANNUAL REPORT - YEAR ENDED

DECEMBER 31, 2023

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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, 2023, contents of which are listed below:

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This report was approved and authorised for issue by the Board of Directors on: 28 March 2024



Director

Name: Louis Rivalland



Director

Name: Gianduth Jeeawock

PRINCIPAL ACTIVITIES AND OTHER STATUTORY DISCLOSURES - DECEMBER 31, 2023**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, 2023 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>2023</u>	<u>2022</u>
	Rs.	Rs.
<u>Executive Directors</u>		
Mr. Louis RIVALLAND	40,000	20,000
Mr. Gianduth JEEAWOCK	40,000	20,000
<u>Non-Executive Director</u>		
Mr. Peroomal Gopallen MOOROGEN	40,000	20,000
	<u>120,000</u>	<u>60,000</u>

DONATION

There was no donation made by the Company during the year (2022: Nil).

AUDITOR'S FEES

The fees payable to the auditor, exclusive of VAT, for audit were as follows:	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
- BDO & Co	<u>207,000</u>	<u>172,500</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, 2023

Swan Wealth Managers Ltd (the ‘Company’) is a Public Interest Entity as defined by the Mauritian Financial Reporting Act 2004. The Company holds a CIS Manager Licence, distribution of Financial Products Licence and an Investment Adviser (Unrestricted) Licence issued by the Financial Services Commission, Mauritius.

1. GOVERNANCE STRUCTURE

Swan Wealth Managers Ltd is headed by a unitary Board. The Board is ultimately responsible for leading and controlling the organization and meeting all legal and regulatory requirements. 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 (“the Code”) 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 regards to the activities and size of the Company and the group.

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

Mr Gopallen Moorooogen acts as the Chairperson of the board, He 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 National Code of Corporate Governance for Mauritius (2016) 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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

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 2023 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, 2023

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

List of other directorships:

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

Gopallen MOOROGEN
Independent Non-executive Director

Born in 1959, Mr Gopallen Mooroggen is a fellow of the Association of Chartered Certified Accountants (FCCA). He also holds an MBA from the University of Wales / Manchester Business School. A director on the Board of the Stock Exchange of Mauritius (SEM) and the Central Depository Services Ltd (CDS) for some time, he has also served as Chairman of the SEM for several years. He is currently the Chief Consumer and Fintech Officer at Mauritius Telecom.

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

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

Gianduth (Alvin) JEEAWOCK
Executive Director

Alvin holds the Chartered Financial Analyst (CFA) charter holder as well as MBA International Paris (by IAE Paris Sorbonne Business School and Université Paris Dauphine – PSL). Alvin is entering the nineteenth year of a dynamic financial career. As the COO of Swan Capital Solutions, Alvin is a strategic financial leader with proficiency in investment analysis that goes beyond routine assessments, focusing on innovative corporate finance solutions that align with executive-level goals. It's about discerning intrinsic value and aligning investment decisions with long-term strategic objectives. Alvin looks to bring not just expertise but a vision for transformative growth by translating strategic acumen into tangible financial success.

List of other directorships:

<i>Company Name</i>	<i>Position</i>
MAX City Property Fund Ltd	Director
Constance Hotels Services Ltd	Director
Moka City Ltd	Director
Swan Lending Solutions Ltd	Director
Swan Bonds Ltd	Director
Swan Wealth International Ltd	Director
Swan Corporate Advisors Ltd	Director
Swan Wealth Investment Holdings Ltd	Director
Swan Forex Ltd	Director
Oceanarium (Mauritius) Ltd	Director
Tropical Paradise Co Ltd	Director
Rogers Capital Ltd	Director
Rogers Capital Solutions Ltd	Director
Velogic Holding Company Ltd	Director
Velogic Ltd	Director
Stock Exchange of Mauritius Ltd	Director
Rogers Logistics Investment Holding Ltd	Director
Officea Ltd	Director

Company Secretary

Swan Corporate Affairs Ltd, the Company Secretary provides corporate secretarial services to Swan Wealth Managers Ltd, 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 is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of Board or otherwise required for its efficient operation.

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 discharges his duties as per the statutory requirements.

Mr. Jaiyansing Soobah is a director of Swan Corporate Affairs Ltd and represents the Company Secretary in all board meetings.

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 and oversees the Governance, Risk and Compliance functions, as well as the internal audit function of the group.

He 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 Swan Group level – the Audit & Risks Committee and the Corporate Governance Committee. The terms of reference of these two committees which were approved by the Board have been published 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 and when required. 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.

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;

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

- 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 five 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 planning;
- 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) Internal audit report –, AML/CFT compliance

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;
- 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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

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.

Attendance of the directors at board meetings and board committees for 2023 were as follows:

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

1 Chairperson, Corporate Governance Committee

2 Chairperson, Audit & Risks Committee

3 In attendance (not a member) for the Committees

2. 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 2007. The law provides that a director (Officer) must be a fit and proper person.

Board Induction

Upon joining the Board, all new directors benefit from an induction programme aimed at deepening their understanding of the business, environment, and markets in which the Company operates. As part of the induction programme, they receive an induction pack from the Company Secretary which contain essential information, 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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

They meet the Company executives and have a briefing session with the Group Chief Executive and Company Secretary.

The Constitution of the Company does not provide for annual re-election of directors.

Professional Development

Directors are encouraged to keep themselves updated with industry practices, company's business, market trends, practices and standards. The Board regularly assesses the development needs of its Directors and the Board as a whole. It facilitates attendance to appropriate training programs so that Directors can continuously update their skills and knowledge. During the year under review, Directors attended training on Anti-Money Laundering and Combatting Financing of Terrorism.

It has been agreed that 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.

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

A brief write up of the directors, the Company Secretary and the details of the nomination and appointment process have been published on the Company's website.

3. 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. During the discharge of their duties, the directors are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company. Directors are also entitled to have access, at all reasonable times, to all relevant company information and to the Management, if useful, to perform their duties.

A Director's and Officer's Liability Insurance Policy has been subscribed to by the Company. The said policy provides cover for the risks arising out of acts or omissions of the Directors and Officers of the Company. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

Moreover, the Company has a Code, 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:

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

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

In accordance with the 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.

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

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

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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023Remuneration Policy

In accordance with the Company's constitution, fees are paid to the Directors for holding office. 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:

- a) To support the delivery of the Group's strategy, whilst ensuring adherence to the SWAN's risk appetite;
- b) To ensure remuneration is competitive for our markets to enable SWAN attract and retain talent;
- c) To ensure that pay levels are internally consistent and externally competitive;
- d) To reward employees according to their market value, performance and contribution;
- e) To ensure that the remuneration package promotes a high performance culture and is affordable;
- f) 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 (2)	80,000
Non-Executive Director (1)	40,000

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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

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:

Strategic Risk

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;

Operational Risk

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.

There is an ongoing effort to review, reassess and document the process and procedures for each operating unit;

Compliance Risk

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;

Financial Risk

Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits;

A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;

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.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

During the year, the Company conducted an AML/CFT compliance review audit following which the audit findings were discussed in the Audit and Risks Committee. Recommendations and potential methods were proposed to enhance the controls to overcome the identified weaknesses and to increase the operational efficiency.

Moreover, there was no significant issues discussed in the group Audit and Risks Committee in relation to the audited financial statements.

6. 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 2023 will be published on the website of SWAN Group.

Dividend policy

The Company has no formal dividend policy. Payment of dividends is subject to the profitability of the Company, and 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 was 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.

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.

7. AUDITInternal Audit

The Company's internal audit function operates under an outsourcing agreement with PricewaterhouseCoopers Ltd and reports directly to the Group Audit & Risks Committee of SWAN.

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.

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. Remuneration is fixed by the Board, following recommendation from the Group Audit & Risks Committee.

CORPORATE GOVERNANCE REPORT – YEAR ENDED DECEMBER 31, 2023

External auditors have no restrictions placed over the right of access to relevant records, management or employees and have unrestricted access to the Group Audit & Risks Committee. The Company is satisfied with the external audit process.

The Group Audit & Risks Committee remains 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 2023, the following fees apply to BDO & Co:

For audit services	Rs 207,000
Non-Audit Services	Nil

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on open and transparent communication with its shareholder. 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 Company is equally committed to engage actively with its stakeholders to meet their expectations and interest in an effective and efficient manner. The key stakeholders of the Company are amongst others, the clients, shareholders, employees, regulators & government authorities, the public and investors.

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

In compliance with Section 115 & 117 of the Mauritian Companies Act 2001, the Annual Meeting of the Shareholder(s) is conducted through written resolution to approve the annual report of the Company.

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

28 March 2024

CORPORATE GOVERNANCE REPORT - YEAR ENDED DECEMBER 31, 2023

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, 2023 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, 2023 and the notes to the separate financial statements, which include a summary of material accounting policies and other explanatory notes, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) 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) IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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: 28 March 2024



Director

Name: Louis Rivalland



Director

Name: Gianduth Jeeawock

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2023

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, 2023, 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: 28 March 2024

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, 2023, to the best of the Board’s knowledge, the PIE has complied with the Code, except for the below:

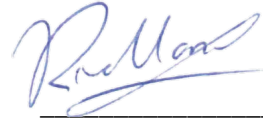
The Company has not complied with principle 2:

1. For having at least two (2) independent directors as it is believed that the composition of the board is adequate having regards to the activities and size of the company.
2. There is no female director on the board as the board was constituted before such requirement. The Board is considering the appointment of a female director.

SIGNED BY:

Chairperson**Gopallen Moorooogen**

Date: 28 March 2024



Director
Louis Rivalland

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Swan Wealth Managers Ltd

Report on the audit of the Separate Financial Statements

Opinion

We have audited the financial statements of Swan Wealth Managers Ltd (the "Company"), set out on pages 6 to 69 which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including accounting policy.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 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 for the Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting 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 for the Separate Financial Statements (cont'd)

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.

The Directors 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 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.
- 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 did not comply with Section 133 (1)(b) and (c) of the Mauritian Companies Act 2001 for the year ended December 31, 2023, where all public companies should have at least one woman and at all times have at least two independent Directors on the Board of Directors.

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 ("Code") 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 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**

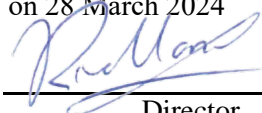
Licensed by FRC

Port Louis,
Mauritius
March 28, 2024

SEPARATE STATEMENT OF FINANCIAL POSITION - AS AT DECEMBER 31, 2023

	Notes	2023 Rs.	2022 Rs.
ASSETS			
Non-current assets			
Equipment	5	367,802	742,069
Right-of-use asset	5A	102,463	1,331,899
Investment in subsidiary company	6A	160,810,000	-
Financial assets at amortised cost	7	544,380,404	558,254,752
Financial assets at fair value through other comprehensive income	8	108,832,437	16,521,103
Net deferred tax assets	9	2,031,942	2,049,046
		816,525,048	578,898,869
Current assets			
Trade receivables	10	64,146,710	90,565,481
Financial assets at amortised cost	7	18,428,672	18,707,870
Other assets		539,825	1,816,218
Cash and cash equivalents	11(b)	111,482,277	137,876,153
		194,597,484	248,965,722
Non-current asset classified as held for sale	6B	-	1,300,000
Total assets		1,011,122,532	829,164,591
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12 (a)	1,600,000	1,600,000
Retained earnings		976,003,198	794,833,083
Fair value deficit	12 (b)	(1,253,482)	(236,530)
Total equity		976,349,716	796,196,553
Non-current liability			
Retirement benefit obligations	13	7,087,331	9,490,176
Current liabilities			
Lease liability	5B	-	1,370,496
Other payables	14	24,280,471	19,618,379
Current tax liability	15(c)	3,405,014	2,488,987
		27,685,485	23,477,862
Total equity and liabilities		1,011,122,532	829,164,591

These separate financial statements have been approved and authorised for issue by the Board of Directors on 28 March 2024



Director

Name: Louis Rivalland



Director

Name: Gianduth Jeeawock

The notes on pages 10 to 69 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, 2023**

	Notes	2023 Rs.	2022 Rs.
Revenue from Contracts with Customers	17	297,288,472	301,676,079
Other income	18	21,655,924	16,420,649
Other gains	20	9,059,279	6,888,340
Movement in allowances for credit impairment of financial assets and write off	3.1 (a) & 10 (ii)	(2,104,216)	1,188,636
Employee benefit expenses	21 (a)	(46,034,525)	(45,926,745)
Administrative expenses	21	(39,712,130)	(41,100,157)
		240,152,804	239,146,802
Finance costs	19	(41,936)	(116,394)
Profit before taxation		240,110,868	239,030,408
Taxation	15(a)	(9,126,562)	(7,733,334)
Profit for the year		230,984,306	231,297,074
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(i)	(1,016,952)	(236,530)
Remeasurements of post employment benefit obligations	13(a)(vii) & 13(b)(vi)	1,428,685	(2,297,627)
Tax effect on remeasurements of post employment benefit obligations	9(b)	(242,876)	390,599
Other comprehensive income for the year, net of tax		168,857	(2,143,558)
Total comprehensive income for the year		231,153,163	229,153,516

The notes on pages 10 to 69 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, 2023

	<u>Notes</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Fair Value Deficit</u>	<u>Total Equity</u>
		Rs.	Rs.	Rs.	Rs.
Balance at January 1, 2023		1,600,000	794,833,083	(236,530)	796,196,553
<i>Total comprehensive income for the year:</i>					
Profit for the year		-	230,984,306	-	230,984,306
<i>Other comprehensive income for the year:</i>					
Changes in fair value of equity instruments at fair value through other comprehensive income	8(i)	-	-	(1,016,952)	(1,016,952)
Remeasurements of post employment benefit obligations, net of tax		-	1,185,809	-	1,185,809
<i>Transactions with owners of the Company:</i>					
Dividends	16	-	(51,000,000)	-	(51,000,000)
Balance at December 31, 2023		1,600,000	976,003,198	(1,253,482)	976,349,716
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(i)	-	-	(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

The notes on pages 10 to 69 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, 2023

	Notes	2023 Rs.	2022 Rs.
Cash flows from operating activities			
Profit before taxation		240,110,868	239,030,408
Adjustments for:			
Depreciation on equipment	5	465,000	603,661
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	3.1(a)	2,104,216	(1,188,636)
Profit on disposal of non-current asset classified as held for sale	6B	(3,428,850)	-
Decrease in provision for retirement benefit obligations	13	(974,160)	(1,437)
Dividend income	18	(2,804,012)	(4,273,071)
Interest income	18	(14,077,238)	(12,087,325)
Interest expense	5B/19	41,936	116,394
Net foreign exchange gains	20	(9,328,813)	(6,888,340)
Changes in working capital:			
- trade receivables	10	26,834,926	(14,744,464)
- other assets		1,276,393	105,454
- other payables	14	4,662,092	(9,634,766)
Cash generated from operations		246,111,794	192,267,314
Tax paid	15(c)	(8,436,307)	(9,700,224)
Net cash generated from operating activities		237,675,487	182,567,090
Cash flows from investing activities			
Purchase of equipment	5	(90,733)	(668,163)
Purchase of financial assets at amortised cost	7	(25,358,518)	(113,596,651)
Purchase of financial assets at fair value through other comprehensive income	8	(93,328,287)	(16,747,633)
Purchase of Investment in subsidiary company	6A	(160,810,000)	
Proceeds from non-current asset classified as held for sale	6B	4,728,850	-
Proceeds from sale of financial assets at amortised cost	7	40,680,561	-
Interest received on financial assets at amortised cost	7	19,729,188	15,988,693
Net cash used in investing activities		(214,448,939)	(115,023,754)
Cash flows from financing activities			
Principal paid on lease liability	5B	(1,370,496)	(1,296,038)
Interest paid on lease liability	5B	(41,936)	(116,394)
Dividends paid to Shareholder	16	(51,000,000)	(75,000,000)
Net cash used in financing activities		(52,412,432)	(76,412,432)
Net decrease in cash and cash equivalents		(29,185,884)	(8,869,096)
Movement in cash and cash equivalents			
At January 1,		137,876,153	147,118,686
Decrease		(29,185,884)	(8,869,096)
Movement on credit allowance on cash and cash equivalents	3.1(a)	(50,185)	-
Effects of foreign exchange rate changes		2,842,193	(373,437)
At December 31,	11(b)	111,482,277	137,876,153

The notes on pages 10 to 69 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 public limited liability company incorporated and domiciled in Mauritius. The address of the registered office and principal place of business 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. 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 IFRS Accounting Standards. 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 recognised as the present value of the defined benefit obligations less fair value of plan assets that are stated at their value.

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

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS Accounting Standards. 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. The amendments have no impact on the Company's separate financial statements.

2. 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)

IAS 1 *Presentation of Financial Statements* & IFRS Practice Statement 2 *Making Materiality Judgement*

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. These amendments have no effect on the measurement or presentation of any items of the Company's separate financial statements but affect the disclosure of accounting policies of the Company. During the year, only material accounting policies are disclosed in the Company's separate financial statements.

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

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

IAS 12 *Income Taxes*

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. 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, 2024 or later periods, but which the Company has not early adopted.

2. 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)

At the reporting date of these separate financial statements, the following were in issue but not yet effective. The adoption of these standards will not have a significant impact on the Company's separate financial statements.

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.

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.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

2. ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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 separate financial statements.

The preparation of the separate financial statements in conformity with IFRS Accounting Standards 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 accumulated depreciation less accumulated impairment losses. 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.

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:

Computer equipment	33.3%
Furniture and fittings	10%

Depreciation is included in administrative expenses within the separate statement of profit or loss and other comprehensive income.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Equipment (cont'd)

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. 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)

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.

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 rate

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 is 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. ACCOUNTING POLICIES (CONT'D)**2.3 Financial assets (cont'd)***(ii) Classification and subsequent measurement (cont'd)**(a) Amortised cost (cont'd)**Impairment**Trade receivables*

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

Impairment provisions for amount receivable from related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve 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.

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the trade receivables at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company considers a financial asset in default when contractual payments are 90 days past due.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate which are obtained from economic expert reports, external sources of actual and forecast economic information that relate to the Company's core operations.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(a) Amortised cost (cont'd)

Impairment (cont'd)

Trade receivables (cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- An actual or expected significant deterioration in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Company assumes that the credit risk on trade receivables have not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default.
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As December 31, 2023, Management has assessed that trade receivables have a low credit risk as the counterparties have strong repayment capacities with no history of defaults.

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).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy; or

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(a) Amortised cost (cont'd)

Impairment (cont'd)

Write-off

The gross carrying amount of a trade receivable is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. At as reporting date, there were no amounts written-off or credit impaired (2022: Rs 3.2m).

More than 85% of the customers have been transacting with the Company for over four years, none of these customers' balances have been written off or credit impaired at reporting date.

For new individuals and corporates entities, the Company assesses the credit worthiness of the customers by performing risk assessments. As at December 31, 2023, there were no significant long outstanding balances from new customers, hence, no amounts were written off or credit impaired.

Financial assets at amortised cost- Debt instruments

All of the entity's debt investments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months' expected losses. The 12-month ECL is calculated as the portion of Lifetime ECL that represent the ECLs that result from default events on financial instrument that are possible within the 12 months after the reporting date. ECL is calculated as the product of EAD, LGD, PD. Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date. Loss given default ("LGD") is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss.

The investments classified at amortised cost are listed securities. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Speculative-grade bonds are issued by companies perceived to have a lower level of credit quality compared to investment-grade companies. The Company currently holds two bonds issued by Gaz Capital SA and Gaz Finance PLC on behalf of Gazprom which is based in Russia. Following the war in Ukraine, the credit ratings of these two investments were impacted. However, the issuers of all the securities held by the Company have a strong capacity to meet their contractual cash flow obligations in the near term. Refer to 4.1(b) for details.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(a) Amortised cost (cont'd)

Impairment (cont'd)

Cash and cash equivalents

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis. ECL on cash and cash equivalents is determined using the same methodology as financial assets at amortised cost. Similar to debt instruments, management consider 'low credit risk' for cash and cash equivalents to be an investment grade credit rating with at least one major rating agency. Speculative grades are assigned to bank and financial institutions having lower level of credit quality compared to investment grades.

Specific instruments

Cash comprises cash in hand and cash held at banks. Cash and 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.

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

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(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.

(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 IFRS Accounting Standards.

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Financial assets (cont'd)

(v) *Modification of financial assets (cont'd)*

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.

2.4 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.

Financial liabilities at amortised cost include other payables.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Financial liabilities (cont'd)

(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.

2.5 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.

2. ACCOUNTING POLICIES (CONT'D)

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. In prior year, an investment in subsidiary was 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.

2.8 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.

The liability recognised in the separate 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 using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

2. ACCOUNTING POLICIES (CONT'D)**2.8 Retirement benefit obligations (cont'd)****(a) *Defined contribution plans (cont'd)***

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income is reflected immediately in 'Actuarial gains/(losses)' (note 13(a)(vii)) and shall not be reclassified to profit or loss in subsequent periods.

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

(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.

2. ACCOUNTING POLICIES (CONT'D)**2.8 Retirement benefit obligations (cont'd)****(b) Defined benefit plans (cont'd)**

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.

(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) Portable Retirement Gratuity Fund (PRGF)

The Portable Retirement Gratuity Fund (PRGF) was established following the proclamation of the Workers' Rights Act 2019. The purpose of the PRGF is to provide for the payment of a gratuity on retirement or death of a worker, irrespective of the number of employers with whom the worker may have worked during his career span.

The PRGF has come into operation on January 01, 2020. It applies to all workers, including self-employed individuals, except:

- Public sector officers
- Expatriates
- Workers covered by the Statutory Bodies Pension Funds Act
- Workers covered by a private pension fund
- Workers drawing a monthly basic salary of more than MUR 200,000

For each eligible worker, employers should make contributions into the PRGF at a rate of 4.5% of monthly remuneration.

The monthly remuneration has been defined as the sum of the monthly basic wage, productivity bonus, attendance bonus and payment for extra work performed.

Employers who sponsor a Private Pension Scheme (PPS) licensed by the FSC shall be exempted from making any contributions into the PRGF in respect of employees participating in the said PPS.

The sponsoring employers of those PPS are required to amend the scheme rules of their pension plan to allow for transfer values, upon resignation of employees, at any time instead of the obligation to have a minimum of two years of service.

The gratuity on retirement payable represents a defined benefit obligation.

(e) 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.

2. ACCOUNTING POLICIES (CONT'D)

2.8 Retirement benefit obligations (cont'd)

(e) *Termination benefits (cont'd)*

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.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.9 Current and deferred income tax (cont'd)

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. Following a change in legislation, if a CSR Fund has set up on or after January 01, 2017 up to December 31, 2018, an entity can apply to remit a reduced CSR to Mauritian Tax Authorities. Further to an application to National Social Inclusion Foundation ('NSIF') and Swan Foundation (SF), the Company will remit 50% (2022: 75%) of the fund to the Mauritian Tax Authorities and 50% (2022: 25%) to a CSR programme approved by the NSIF and SF. This practice is being interpreted and classified as taxation.

2.10 Impairment of non-financial assets

At each reporting date, assets 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. ACCOUNTING POLICIES (CONT'D)

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 IFRS Accounting Standards rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. 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.

2. ACCOUNTING POLICIES (CONT'D)

2.11 Leases (cont'd)

Identifying Leases (cont'd)

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

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

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.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an undiscounted discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

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

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

2. ACCOUNTING POLICIES (CONT'D)

2.11 Leases (cont'd)

Identifying Leases (cont'd)

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 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 over 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.

(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. ACCOUNTING POLICIES (CONT'D)

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.

(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. ACCOUNTING POLICIES (CONT'D)

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. The overall

Credit risk is managed at a company basis.

Investment in financial assets at amortised cost

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. The credit ratings of the investments are monitored for credit deterioration. Refer to Note 7 for further details including the credit ratings assigned.

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 48% (2022: 44%) with its intermediate holding company, Swan Life Ltd, a listed financial institution.

Impairment losses on financial assets recognised in profit or loss are as follows:

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Impairment loss on financial assets at amortised cost	2,492,883	-
Movement in impairment loss on trade receivables and write off	(438,852)	(1,188,636)
Impairment loss on cash and cash equivalents	50,185	-
	<u>2,104,216</u>	<u>(1,188,636)</u>

Further disclosures on credit risk and expected credit losses (“ECL”) are provided in the following notes: Note 7 - Financial assets at amortised cost, 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. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management does not foresee any liquidity risk problems in the future.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

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, 2023</u>	Undiscounted cashflows						Total
	Carrying amount	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>Financial assets</u>							
Financial assets at amortised cost (Gross)	565,301,959	37,577,385	38,196,280	182,891,989	247,407,816	125,952,077	632,025,547
Financial assets at fair value through other comprehensive income	108,832,437	-	-	-	-	108,832,437	108,832,437
Trade receivables (Gross)	66,723,796	66,723,796	-	-	-	-	66,723,796
Other assets	83,952	83,952	-	-	-	-	83,952
Cash and cash equivalents (Gross)	111,532,462	111,532,462	-	-	-	-	111,532,462
	852,474,606	215,917,595	38,196,280	182,891,989	247,407,816	234,784,514	919,198,194
Less allowances for credit impairment	(5,120,154)						
	847,354,452						
<u>Financial liabilities</u>							
Other payables	24,280,471	24,280,471	-	-	-	-	24,280,471
	24,280,471	24,280,471	-	-	-	-	24,280,471
Net	823,073,981	191,637,124	38,196,280	182,891,989	247,407,816	234,784,514	894,917,723

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Liquidity risk (cont'd)

<u>At December 31, 2022</u>	<u>Undiscounted cashflows</u>						Total
	Carrying amount	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Non-maturity items	
<u>Financial assets</u>	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets at amortised cost	576,962,622	36,250,858	35,841,258	158,541,979	303,382,206	122,079,971	656,096,272
Financial assets at fair value through other comprehensive income	16,521,103	-	-	-	-	16,521,103	16,521,103
Trade receivables (Gross)	93,581,419	93,581,419	-	-	-	-	93,581,419
Other assets	602,392	602,392	-	-	-	-	602,392
Cash and cash equivalents	137,876,153	137,876,153	-	-	-	-	137,876,153
	825,543,689	268,310,822	35,841,258	158,541,979	303,382,206	138,601,074	904,677,339
Less allowances for credit impairment	(3,015,938)						
	<u>822,527,751</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
	20,988,875	21,030,809	-	-	-	-	21,030,809
Net	804,554,814	247,280,013	35,841,258	158,541,979	303,382,206	138,601,074	883,646,530

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.

2023

	MUR	Equivalent in MUR		TOTAL
		USD	EURO	
<u>Financial assets</u>				
Financial assets at amortised cost				
(Gross)	-	535,645,103	29,656,856	565,301,959
Trade receivables (Gross)	42,378,320	24,345,476	-	66,723,796
Other assets	83,952	-	-	83,952
Cash and cash equivalents (Gross)	47,358,244	64,144,924	29,294	111,532,462
	<u>89,820,516</u>	<u>624,135,503</u>	<u>29,686,150</u>	<u>743,642,169</u>
Less: loss allowances on financial assets				<u>(5,120,154)</u>
				<u>738,522,015</u>

Financial liabilities

Other payables	<u>24,280,471</u>	-	-	<u>24,280,471</u>
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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)	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 on financial assets				<u>(3,015,938)</u>
				<u>806,006,648</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	
Financial liabilities				
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>

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

	P&L
	Rs.
At December 31, 2023	
1% change in USD	<u>6,241,355</u>
5% change in EURO	<u>1,484,308</u>
At December 31, 2022	
1% change in USD	<u>6,365,990</u>
5% change in EURO	<u>1,379,173</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, 2023 and 2022. Hence there are no significant interest rate risk as the Company is 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- Money Market Fund (USD) (formerly known as Dollar Liquidity Fund) and new investments made in Money Market Fund (MUR) and Swan Income Fund during the financial year 2023. These investments are 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(e) Equity price risk (cont'd)Sensitivity

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

	OCI Rs.	Equity Rs.
<u>At December 31, 2023</u>		
1.1% Change in share price	1,197,047	1,197,047
<u>At December 31, 2022</u>		
1.5% Change in share price	247,667	247,667

The % change has been derived from the average change of the opening share price and closing share price.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Financial instruments by category and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	IFRS 9 classification	Fair Value Hierarchy	Notes	2023		2022	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
				Rs	Rs	Rs	Rs
Financial assets							
Financial assets at fair value through other comprehensive income							
-Investment funds	FVTOCI	Level 3	Note 8	10,000	10,000	10,000	10,000
-Investment funds	FVTOCI	Level 2	Note 8	108,822,437	108,822,437	16,511,103	16,511,103
Financial assets at amortised cost							
Trade and other receivables	Amortised cost	NA	Note 10	64,146,710	64,146,710	90,565,481	90,565,481
Other assets	Amortised cost	NA		83,952	83,952	1,816,218	1,816,218
Cash and cash equivalents	Amortised cost	NA	Note 11(b)	111,482,277	111,482,277	137,876,153	137,876,153
				735,862,175		685,865,424	
Financial liabilities							
Lease liabilities	Other financial liabilities	NA	Note 5B	-	-	1,370,496	1,370,496
Other payables	Other financial liabilities	NA	Note 14	24,280,471	24,280,471	19,618,379	19,618,379
				24,280,471		20,988,875	

All of the above financial assets and liabilities disclosures exclude equipment, right-of-use assets, investment in subsidiary company, deferred tax assets, prepayments, retirement benefit obligations and current tax liabilities.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 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 Company 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.

3.4 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. During the financial year 2023, the Company was financed solely by equity.

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 Company 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 likelihood of any further impact post the military attack on those two investments. In making the judgements, the Directors have considered the related impacts following their close monitoring of the situation to conclude that no events of defaults have been identified.

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.

(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.

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

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- Money Market Fund (USD) (formerly known as Dollar Liquidity Fund), Money Market Fund (MUR) and Swan Income 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 funds.

(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.

In prior year, 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.

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)***

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.2 Critical accounting estimates and assumptions (cont'd)****(g) Impairment of investment in subsidiary company**

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

5. EQUIPMENT	Computer Equipment	Furniture & Fittings	Total
	Rs.	Rs.	Rs.
COST			
At January 1, 2022	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
Additions	90,733	-	90,733
At December 31, 2023	1,972,233	413,118	2,385,351
DEPRECIATION			
At January 1, 2022	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
Charge for the year	423,483	41,517	465,000
At December 31, 2023	1,626,972	390,577	2,017,549
NET BOOK VALUE			
At December 31, 2023	345,261	22,541	367,802
At December 31, 2022	678,011	64,058	742,069

5A. RIGHT-OF-USE ASSET	Building	
	2023 Rs.	2022 Rs.
At January 1,	1,331,899	2,561,335
Depreciation	(1,229,436)	(1,229,436)
At December 31,	102,463	1,331,899

- (a) Depreciation charge of Rs.1,229,436 (2022: Rs.1,229,436) has been included in administrative expenses.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

5B. LEASE LIABILITY

	Building	
	2023	2022
	Rs.	Rs.
At January 1,	1,370,496	2,666,534
Interest expense	41,936	116,394
Lease payments	- 1,412,432	- 1,412,432
At December 31,	-	1,370,496
Current	-	1,370,496

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. The lease will be renewed for a period of 5 years as from January 01, 2024.

(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.

	2023	2022
	Rs.	Rs.
(ii) Interest expense (included in finance costs)	41,936	116,394

The total cash outflow for leases in 2023 was Rs.1,412,432 (2022: Rs.1,412,132).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

6A. INVESTMENT IN SUBSIDIARY COMPANY

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	-	1,300,000
Transfer to asset held for sale (note 6B)	-	(1,300,000)
Addition	160,810,000	-
At December 31,	<u>160,810,000</u>	<u>-</u>

Details of the subsidiary company are as follows:

<u>2023</u>	<u>Class of shares held</u>	<u>Year end</u>	<u>Proportion of of ownership interest direct</u>	<u>Nominal value of investment Rs.</u>	<u>Country of incorporation and operation</u>	<u>Main business</u>
Swan Wealth Investment Holdings Ltd	Ordinary shares	December 31	100%	160,810,000	Mauritius	Investment Holding

- (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 Accounting Standard. 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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	1,300,000	-
Transfer from investment in subsidiary (note 6A)	-	1,300,000
Disposal during the year	(1,300,000)	-
At December 31,	<u>-</u>	<u>1,300,000</u>

Following a restructuring exercise in the financial year 2022, the Board of Directors 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 were met, the investment in subsidiary was 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 in prior year, 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 was categorised as a level 3 fair value measurement. The investment was disposed on January 04, 2023.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

7. FINANCIAL ASSETS AT AMORTISED COST

	2023		
	Debt Rs.	Equities Rs.	Total Rs.
At January 1,	454,882,651	122,079,971	576,962,622
Additions*	25,358,518	2,804,012	28,162,530
Movement in accrued interest	14,077,238	-	14,077,238
Interest received	(19,729,188)	-	(19,729,188)
Matured during the year	(40,680,561)	-	(40,680,561)
Foreign exchange gains	5,441,224	1,068,094	6,509,318
	439,349,882	125,952,077	565,301,959
Less: loss allowance for debt investments at amortised cost	(2,492,883)	-	(2,492,883)
At December 31,	436,856,999	125,952,077	562,809,076
	2022		
	Debt Rs.	Equities Rs.	Total Rs.
At January 1,	339,956,288	116,340,993	456,297,281
Additions*	113,596,651	4,273,071	117,869,722
Movement in accrued interest	12,087,325	-	12,087,325
Interest received	(15,988,693)	-	(15,988,693)
Transfer to other assets **	(518,440)	-	(518,440)
Foreign exchange gains	5,749,520	1,465,907	7,215,427
	454,882,651	122,079,971	576,962,622

* Additions include dividend reinvested of **Rs 2,804,012** (2022: Rs 4,273,071) which is a non-cash item.

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

Analysed as follows :	2023	2022
	Rs.	Rs.
Current	18,428,672	18,707,870
Non-current	544,380,404	558,254,752
	562,809,076	576,962,622

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

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

Swan Wealth Managers Ltd (“SWML”) 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 21,803,144 (2022: Rs 21,773,425) and Rs 67,702,595 (2022: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 amortised 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.

In prior year, Gazprom was facing some administrative and technical constraints to effect payments to non-Russian bondholders.

However in current year, all outstanding coupons for prior year including the coupons for financial year 2023 have been received, thus, indicating no events of default.

(a) <i>Fair values of financial assets at amortised cost</i>	2023	2022
	Rs.	Rs.
Foreign:		
<i>Level 1:</i>		
Corporate Bonds	353,525,435	374,790,411
Equity securities	126,027,648	121,176,579
	479,553,083	495,966,990

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 currencies:

	2023	2022
	Rs.	Rs.
USD	533,165,567	550,038,543
EURO	29,643,509	26,924,079
	562,809,076	576,962,622

- (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, 2023, the proprietary collateral comprised of international corporate bonds.

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

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

- (d) The table below represents an analysis of financial assets at amortised cost (debt instruments) as at December 31, 2023. To measure the expected credit losses, debt investments measured at amortised cost have been grouped based on shared credit risk characteristics.

	Carrying amount 2023
	Rs.
<i>Investment grade:</i>	
AAA to BBB-	340,536,962
<i>Speculative grade:</i>	
BB+ to Unrated	98,812,920
	439,349,882
	12-month ECL 2023
	Rs.
<i>Investment grade:</i>	
AAA to BBB-	364,883
<i>Speculative grade:</i>	
BB+ to Unrated	2,128,000
	2,492,883

- (e) The following table shows the movement in expected credit losses that has been recognised for financial assets at amortised cost :

	2023
	Rs.
At January 1,	-
Loss allowance recognised in profit or loss during the year	2,492,883
At December 31,	2,492,883

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	16,521,103	10,000
Additions	93,328,286	16,747,633
Fair value movement	(1,016,952)	(236,530)
At December 31,	<u>108,832,437</u>	<u>16,521,103</u>

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

Investment in Swan Global Funds Ltd	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Management shares	10,000	10,000
Money Market Fund USD	35,260,905	16,511,103
Swan Income Fund	48,366,532	-
Money Market Fund MUR	25,195,000	-
	<u>108,832,437</u>	<u>16,521,103</u>

The above investments have been categorised as level 2 fair value measurement as set out in the fair value hierarchy in Note 3.2, except for the management shares which have been designated as level 3 fair value.

(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 currencies:

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
MUR	25,205,000	10,000
USD	83,627,437	16,511,103
	<u>108,832,437</u>	<u>16,521,103</u>

9. NET DEFERRED INCOME TAX

- (a) Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2022: 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>2023</u>	<u>2022</u>
	Rs.	Rs.
Net deferred tax assets	<u>2,031,942</u>	<u>2,049,046</u>
(b) The movement on deferred income tax account is as follows:	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	2,049,046	2,474,719
Credited/(charged) to the separate statement of profit or loss (note 15(a))	225,772	(816,272)
(Charged)/credited to other comprehensive income (note c)	(242,876)	390,599
At December 31,	<u>2,031,942</u>	<u>2,049,046</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

9. NET 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>	Accelerated tax depreciation	Retirement benefit obligations	Lease liability	Right-of-use assets	Expected credit losses	Other provisions	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1, 2022	(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)
Charged 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
Credited/(charged) to the separate statement of profit or loss (note 15(a))	39,155	(165,607)	(232,985)	209,004	357,717	18,488	225,772
Charged to other comprehensive income	-	(242,876)	-	-	-	-	(242,876)
At December 31, 2023	(44,406)	1,204,848	-	(17,417)	870,429	18,488	2,031,942

10. TRADE RECEIVABLES

	2023	2022
	Rs.	Rs.
Amounts receivable from related parties (note 23)	36,409,731	54,275,440
Trade receivables	30,314,065	39,305,979
Less: expected credit losses	(2,577,086)	(3,015,938)
	64,146,710	90,565,481

(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, 2023

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, 2023 or January 1, 2023 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, 2023 and December 31, 2022 was determined as follows for trade receivables:

At December 31, 2023	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							30,314,065
Less: commission receivable							(20,776,275)
Gross carrying amount - trade receivables							<u>9,537,790</u>
Expected loss rate (Limited to 2 decimal places)	9.78%	-	31.44%	31.44%	54.37%	83.37%	27.02%
Gross carrying amount - trade receivables	6,982,790	-	18,215	119,502	566,211	1,851,072	9,537,790
Loss allowance	682,723	-	5,726	37,570	307,846	1,543,221	2,577,086

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

10. TRADE RECEIVABLES (CONT'D)

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

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							<u>10,843,213</u>
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

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

	2023	2022
	Rs.	Rs.
At January 1,	3,015,938	7,483,029
Decrease in allowance for credit impairment	(438,852)	(1,276,189)
Amount written off	-	(3,190,902)
At December 31,	<u>2,577,086</u>	<u>3,015,938</u>

(ii) In prior year, trade receivables amounting to Rs 87,553, which was not previously provided for, was written-off. During the year, no amount receivable has been written off.

	2023	2022
	Rs.	Rs.
Impairment of financial assets	-	87,553

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

10. TRADE RECEIVABLES (CONT'D)

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
MUR	39,801,234	60,611,339
USD	24,345,476	29,954,142
	<u>64,146,710</u>	<u>90,565,481</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 STATEMENT OF CASH FLOWS

(a) Notes to statement of cash flows

Reconciliation of liability arising from financing activities

	<u>2022</u>	Interest accrued	Cash flows	<u>2023</u>
	Rs.	Rs.	Rs.	Rs.
Lease liability	<u>1,370,496</u>	<u>41,936</u>	<u>(1,412,432)</u>	<u>-</u>

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

(b) Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Cash in hand and at bank	111,532,462	137,876,153
Loss allowance on cash and cash equivalents	(50,185)	-
	<u>111,482,277</u>	<u>137,876,153</u>

Cash and cash equivalents are held with bank and financial institution counterparties having low credit risk. The institutions are categorised under investment grades since the assigned credit ratings are between AA- to BBB-.

(c) The closing loss allowances for cash and cash equivalents as at December 31, reconcile to the opening loss allowances as follows:

	<u>2023</u>
	Rs.
At January 1,	-
Loss allowance recognised in profit or loss during the year	50,185
At December 31,	<u>50,185</u>

(d) Non-cash transactions

The principal non-cash transaction is the acquisition of financial assets at amortised cost amounting to Rs.2.804 m (2022: Rs.4.27 m) (refer to note 7).

12. SHARE CAPITAL AND RESERVES

(a) Share capital	Number of	Authorised, Issued and	
	shares	Fully paid	
	2023 & 2022	2023	2022
		Rs.	Rs.
At December 31, 2023 and 2022	16,000	1,600,000	1,600,000

The total authorised number of ordinary shares is 16,000 shares (2022: 16,000 shares) with a par value of Rs.100 per share (2022: 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.

(b) Fair value reserve

The Company has elected to recognise changes in the fair value of its investments in equity securities in OCI. These changes are accumulated within the fair value reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

13. RETIREMENT BENEFIT OBLIGATIONS

	2023	2022
	Rs.	Rs.
Amounts recognised in the separate statement of financial position:		
Defined pension benefits (note (a)(ii))	415,730	2,239,280
Other post retirement benefits (note (b)(ii))	6,671,601	7,250,896
	7,087,331	9,490,176
Analysed as follows:		
Non-current liabilities	7,087,331	9,490,176
Amounts charged to profit or loss		
-Defined pension benefits (note (a)(vi))	413,022	295,063
-Other post retirement benefits (note (b)(v))	(403,100)	2,637,470
	9,922	2,932,533
Amounts (credited)/charged to other comprehensive income		
-Defined pension benefits (note (a)(vii))	(1,252,490)	2,545,945
-Other post retirement benefits (note (b)(vi))	(176,195)	(248,318)
	(1,428,685)	2,297,627

(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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at December 31, 2023 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. Refer to 2.8 (a) for details.

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Present value of funded obligations	8,380,898	14,142,515
Fair value of plan assets	<u>(7,965,168)</u>	<u>(11,903,235)</u>
Liabilities in the separate statement of financial position	<u><u>415,730</u></u>	<u><u>2,239,280</u></u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	2,239,280	2,332,242
Charged to profit or loss	413,022	295,063
(Credited)/charged to other comprehensive income	<u>(1,252,490)</u>	2,545,945
Employer's contribution	<u>(984,082)</u>	<u>(2,933,970)</u>
At December 31,	<u><u>415,730</u></u>	<u><u>2,239,280</u></u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	14,142,515	10,749,169
Current service cost	299,713	263,174
Interest expense	653,725	447,013
Remeasurements:		
-Actuarial (gains)/losses arising from:		
- plan experience	(303,884)	1,448,207
- financial assumptions	<u>(498,298)</u>	1,234,952
Benefits paid	<u>(5,912,873)</u>	-
At December 31,	<u><u>8,380,898</u></u>	<u><u>14,142,515</u></u>

13. RETIREMENT BENEFIT OBLIGATION (CONT'D)

(a) Defined pension benefits (cont'd)

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

	2023	2022
	Rs.	Rs.
At January 1,	11,903,235	8,416,927
Remeasurements:		
- Expected return on plan assets	556,739	415,124
Employer contributions	984,082	2,933,970
Actuarial gains	450,308	137,214
Scheme expenses	(5,180)	-
Cost of insuring risk benefits	(11,143)	-
Benefits paid	(5,912,873)	-
At December 31,	7,965,168	11,903,235
Actual return on plan assets	1,007,047	552,338

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

	2023	2022
	Rs.	Rs.
Current service cost	299,713	263,174
Scheme expenses	5,180	-
Net interest cost	96,986	31,889
Cost of insuring risk benefits	11,143	-
Total included in employee benefit expenses	413,022	295,063

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

	2023	2022
	Rs.	Rs.
Experience (gains)/losses on the liabilities	(303,884)	1,448,207
Changes in assumptions underlying the present value of the scheme	(498,298)	1,234,952
Gains on pension scheme assets	(450,308)	(137,214)
	(1,252,490)	2,545,945

(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.

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	2023	2022
Discount rate	5.4%	5.9%
Minimum guaranteed return	4.0%	4.0%
Future long-term salary increase	3.5%	4.0%
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
	2023	2022

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

	2023	2022
	Rs.	Rs.
Increase in defined benefit obligation due to 1% decrease in discount rate	588,345	707,536
Decrease in defined benefit obligation due to 1% increase in discount rate	539,907	648,501
Increase in defined benefit obligation due to 1% increase in salary increase assumption	555,178	629,150
Decrease in defined benefit obligation due to 1% decrease in salary increase assumption	526,447	591,033

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) The Company is expected to make contributions of around Rs 316,000 to the pension scheme for the year ending December 31, 2024.
- (xiv) The weighted average duration of the defined benefit obligation is 7 years at the end of the reporting period (2022: 5 years).

(b) Other post retirement benefits

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

The plan provides statutory benefits in terms of the Workers' Rights Act 2019 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:

	2023	2022
	Rs.	Rs.
Present value of obligations	6,671,601	7,250,896
Liability in the separate statement of financial position	6,671,601	7,250,896

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

	2023	2022
	Rs.	Rs.
At January 1,	7,250,896	4,861,744
Amount recognised in profit or loss	(403,100)	2,637,470
Amount recognised in other comprehensive income	(176,195)	(248,318)
At December 31,	6,671,601	7,250,896

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

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:

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	7,250,896	4,861,744
Current service cost	746,271	894,155
Interest expense	434,057	208,645
Past service cost	(1,583,428)	1,534,670
Actuarial gain	(176,195)	(248,318)
At December 31,	<u>6,671,601</u>	<u>7,250,896</u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Current service cost	746,271	894,155
Net interest cost	434,057	208,645
Past service cost	(1,583,428)	1,534,670
Total included in employee benefit expenses	<u>(403,100)</u>	<u>2,637,470</u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Actuarial gain on liabilities due to experience assumptions	(14,831)	547,577
Changes in assumptions underlying the present value of the scheme	(161,364)	(795,895)
	<u>(176,195)</u>	<u>(248,318)</u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Discount rate	5.4%	5.9%
Future long-term salary increase	3.5%	4.0%
Average retirement age	60	60
NPS ceiling increase	4.0%	4.0%
Post retirement annuity rates	Swan Rates	Swan Rates
	<u>RPF Rates 2023</u>	<u>RPF Rates 2022</u>

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

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Impact on present value of defined benefit obligation:		
Increase in defined benefit obligation due to 1% decrease in discount rate	1,586,740	1,677,249
Decrease in defined benefit obligation due to 1% increase in discount rate	1,287,548	1,356,007
Increase in defined benefit obligation due to 1% increase in salary increase assumption	1,601,920	1,675,239
Decrease in defined benefit obligation due to 1% decrease in salary increase assumption	1,320,265	1,373,311

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. Refer to 13(a) (xi).
- (x) The Company does not expect to make any plan benefit payments for the year ending December 31, 2024.
- (xi) The weighted average duration of the defined benefit obligation is 18 years at the end of the reporting period (2022: 19 years).

14. OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Amounts due to related parties (note 23)	18,271,284	15,394,831
Other payables	<u>6,009,187</u>	<u>4,223,548</u>
	<u><u>24,280,471</u></u>	<u><u>19,618,379</u></u>

The carrying amounts of other payables approximate their fair values.

15. INCOME TAX

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
(a) Current tax on the adjusted profit for the year at 15% (2022: 15%)	8,247,071	7,930,221
Over provision in prior year	-	(2,075,614)
Deferred tax movement (note 9(b))	(225,772)	816,272
Corporate social responsibility	<u>1,105,263</u>	<u>1,062,455</u>
	<u><u>9,126,562</u></u>	<u><u>7,733,334</u></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

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>2023</u>	<u>2022</u>
	Rs.	Rs.
Profit before tax	240,110,868	239,030,408
Tax calculated at the rate of 15% (2022: 15%)	36,016,630	35,854,562
Corporate social responsibility liability	1,105,263	1,062,455
Expenses not deductible for tax purposes	878,465	751,417
Expenses relating to exempt income	9,769,472	10,133,979
Income not subject to tax	(2,700,474)	(2,570,734)
Income from specified financial services	(35,674,617)	(36,200,805)
Foreign tax credit	(42,405)	(38,198)
Over provision in prior year	-	(2,075,614)
Others	(225,772)	816,272
	<u>9,126,562</u>	<u>7,733,334</u>

Non-deductible expenses comprise mostly of depreciation of equipment, amortisation of right-of-use assets and provision for retirement benefit obligations, income not subject to tax mainly includes dividends received and income from specified financial services comprises of management fees and commission income.

- (c) *Current tax liabilities*

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
At January 1,	2,488,987	5,272,152
Over provision in prior year	-	(2,075,614)
Corporate social responsibility	1,105,263	1,062,455
Charge for the year	8,247,071	7,930,221
Corporate tax paid during the year	(1,426,336)	(2,000,458)
Corporate social responsibility contributions during the year	(1,062,455)	(971,815)
Payment under Advance Payment System (APS)	(5,947,516)	(6,727,954)
At December 31,	<u>3,405,014</u>	<u>2,488,987</u>

16. DIVIDEND PER SHARE

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
<u>Declared and paid</u>		
Final dividend declared of Rs.3,188 (2022: Rs.4,688) per ordinary share.	<u>51,000,000</u>	<u>75,000,000</u>

17. REVENUE

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
The following is an analysis of the Company's revenue for the year:		
Revenue from rendering of services	<u>297,288,472</u>	<u>301,676,079</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

17. REVENUE (CONT'D)		
(a) Disaggregation of revenue from contracts with customers:	2023	2022
	Rs.	Rs.
Timing of revenue recognition		
<i>Over time:</i>		
Management fees	211,927,887	198,372,227
Commission and fees	85,360,585	103,303,852
	297,288,472	301,676,079
Group		
-Management fees (note 23)	177,463,917	160,985,465
Non-group		
-Management fees	34,463,970	37,386,762
-Commission and fees	85,360,585	103,303,852
	297,288,472	301,676,079
18. OTHER INCOME	2023	2022
	Rs.	Rs.
Dividend income (note 7)	2,804,012	4,273,071
Interest income (note 7)	13,671,923	12,087,325
Refund of expenses incurred	1,676,876	-
Profit on disposal of investment of subsidiary company (note 6B)	3,428,850	-
Others	74,263	60,253
	21,655,924	16,420,649
19. FINANCE COSTS	2023	2022
	Rs.	Rs.
Interest expense: lease liability (note 5B)	41,936	116,394
20. OTHER GAINS	2023	2022
	Rs.	Rs.
<i>Net foreign exchange movement:</i>		
Net unrealised exchange gain	9,328,813	6,888,340
Net realised exchange loss	(269,534)	-
	9,059,279	6,888,340
21. ADMINISTRATIVE EXPENSES	2023	2022
	Rs.	Rs.
Depreciation on equipment (note 5)	465,000	603,661
Depreciation of right-of-use assets (note 5A)	1,229,436	1,229,436
Rebilling expenses	15,664,361	14,559,456
Advertising	4,567,203	6,605,433
Professional fees	2,066,259	3,368,742
Subscriptions	5,541,817	5,137,056
Insurances	1,304,645	917,241
Overseas travelling	646,576	787,610
Other expenses*	8,226,833	7,891,522
	39,712,130	41,100,157

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

21. ADMINISTRATIVE EXPENSES (CONT'D)

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

21(a) Analysis of employee benefit expenses:	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Salaries and wages	39,743,968	36,970,262
Retirement benefit obligations (note 13)	9,922	2,932,534
Other costs	6,280,635	6,023,949
	<u>46,034,525</u>	<u>45,926,745</u>

22. EARNINGS PER SHARE

	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Profit attributable to equity holder of the Company	<u>230,984,306</u>	<u>231,297,074</u>
Weighted Average Number of ordinary shares (Basic)	<u>16,000</u>	<u>16,000</u>
Basic Earnings per share (Rs/cts)	<u>14,437</u>	<u>14,456</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, 2023

23. RELATED PARTY TRANSACTIONS

For the year ended December 31, 2023 and 2022, 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.
2023									
Ultimate holding company	7,461,381	2,185,806	-	-	-	-	-	1,225,676	995,575
Intermediate holding company	144,119,896	-	15,777,524	41,936	-	-	-	28,207,907	17,262,539
Immediate holding company	-	-	-	-	51,000,000	-	-	-	-
Subsidiary	-	-	-	-	-	160,810,000	-	-	-
Other related party	23,717,416	-	-	-	-	108,832,437	-	5,895,315	-
Entities under common control	2,165,224	180,000	-	-	-	-	-	1,217,747	13,170
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

Entities under common control include:

Entities

- Swan Securities Ltd
- Swan Bonds Ltd (previously known as Swan Smart Achiever Notes Ltd)

- Swan Corporate Advisors Ltd
- Swan Corporate Affairs Ltd
- Swan Reinsurance PCC
- Sacos Group Ltd
- Swan Special Risks Company Limited
- Liberty Health Cell

Other related Party:

Entities

- Swan Global Funds Ltd

Nature of relationship

Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)

Owned by Swan General Ltd (the ultimate holding company)

Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)

Owned by Swan Life Ltd (the intermediate holding company) and Swan General Ltd (the ultimate holding company)

Owned by Swan General Ltd (the ultimate holding company)

Owned by Swan General Ltd (the ultimate holding company)

Owned by Swan General Ltd (the ultimate holding company)

Cell managed by Swan Reinsurance PCC (Owned by Swan General Ltd (the ultimate holding company))

Nature of relationship

Management shares owned by the Company (Note 8)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023**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, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties.

(a) Key management personnel compensation	<u>2023</u>	<u>2022</u>
	Rs.	Rs.
Salaries and short-term employee benefits	13,523,362	11,882,073
Post employment benefits	659,622	540,584
	<u>14,182,984</u>	<u>12,422,657</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

There are no material events after the reporting date which would require disclosures or adjustments in the separate financial statements for the year ended December 31, 2023.