SWAN FINANCIAL SOLUTIONS LTD

FINANCIAL STATEMENTS - YEAR ENDED

DECEMBER 31, 2021

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of Swan Financial Solutions Ltd for the year ended December 31, 2021, contents of which are listed below:

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This report was approved by the Board of Directors on: 20 May 2022

Director **Director**

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year is investment holding.

DIRECTORS

The Directors of the Company holding office as at December 31, 2021 and at the date of this report were:

Mr. J. M. Louis RIVALLAND
Mr. Nitish Beni MADHU (Resigned on January 29, 2021)
Mr. Ashley Coomer RUHEE
Mr. José Michel Alan GODER (Appointed on May 21, 2021)

DIRECTORS' SERVICE CONTRACTS

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

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the period to which the Company is a party and in which a director is or was materially interested, either directly or indirectly.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received from the Company were as follows:	**2021**	2020
	Rs.	Rs.
Executive Directors:		
Mr. J. M. Louis RIVALLAND	**10,000**	10,000
Mr. Nitish Beni MADHU (Resigned on January 29, 2021)	**-**	10,000
Mr. José Michel Alan GODER (Appointed on May 21, 2021)	**6,667**	-
Non-executive Director:		
Mr. Ashley Coomar RUHEE	**10,000**	10,000
	26,667	30,000

DONATIONS

The Company did not make any donations during the year.

AUDITOR'S FEES

The fees paid to the auditor, for audit and other services were:	**2021**	2020
	Rs.	Rs.
Audit fees paid to :		
BDO & Co	**105,000**	100,000
Fees paid for other services provided by:		
BDO & Co	**-**	-

The auditor did not receive any fees for other services.

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

COMPLIANCE STATEMENT

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

1. GOVERNANCE STRUCTURE

Swan Financial Solutions Ltd is headed by a unitary Board. The Board of Directors is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company. The Board of Directors assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues. Additionally, the Board of Directors acts as the link between the Company and the Shareholders namely Swan Life Ltd and Rogers and Company Ltd, including all the stakeholders.

The Company does not have a board charter as it considers that the legislation is sufficiently clear as to the respective roles, responsibilities and authorities of the Board of Directors. The Company has a Code of ethics which explains the Company’s and group’s policies on how we conduct business in Mauritius and beyond. Officers and members of the Board of Directors alike commit to understanding the Code and abiding by principles. The principles support full compliance with applicable laws. They also represent the practical ways that we put our values to work every day. Our corporate values defined as 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 the Senior Management have clearly defined job descriptions. Senior Management report directly to the Group Chief Executive. Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. Currently the Company has no employee.

The Code of ethics, main clauses of the constitution, and the profile of Directors of the Company can be accessed on SWAN website: swanforlife.com

2. STRUCTURE OF THE BOARD AND ITS COMMITTEES

Swan Financial Solutions Ltd is headed by a unitary Board which is collectively accountable and responsible for the long term success of the Company. It comprises of two executive Directors and one non-executive director. Members of the Board have a diverse mix of skills, knowledge and experience and are distinguished by their professional ability, integrity and independence of opinion. Collectively, the Board is well structured and of sufficient size to discharge its duties. The Company believes that the composition of the Board is adequate for the Company’s operations for the time being, having regard to the activities and size of the Company and it being part of a group where certain functions are established at group level. All Directors of the Company ordinarily reside in Mauritius.

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

Role of the Board

The board provides effective leadership and strategic guidance towards the achievement of the Company’s strategy within a framework of effective controls and risk management, alongside ensuring adherence of the Company to relevant legislations and policies.

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

Role and Function of the Chairman

The Chairman is responsible for providing overall leadership and governance to the board and for ensuring its effectiveness.

Role and Function of the Chief Executive Officer

The Chief Executive Officer is responsible for guiding the implementation of the Board Strategy and policy with respect to the Company's business. The Chief Executive Officer reports to the Board of Directors.

Role and Function of the Non-Executive and Independent Director

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.

The Board is composed of the following Directors:

- Jean Michel Louis Rivalland (Executive Director)
- Nitish Beni Madhu (Executive Director) *Resigned on 29.01.2021*
- Jose Michel Alan Goder (Executive Director) *Appointed on 21.05.2021*
- Ashley Coomar Ruhee (Non-Executive Director)

During the year, the Company held one board meeting on 21 May 2021.

Name of Directors	Board meeting held on 21.05.2021
Jean Michel Louis Rivalland (Chairman)	√
Ashley Coomar Ruhee	√
Jose Michel Alan Goder	×

Role and Function of the Company Secretary

Swan Corporate Affairs Ltd provides corporate secretarial services to Swan Financial Solutions Ltd. All Directors have access to the advice and services of the Company Secretary, delegated by Swan Corporate Affairs Ltd for the purposes of the Board's affairs and the business. The Company Secretary also provides guidance to the Board of Directors on their statutory responsibilities, ethics and good governance practices. The Company Secretary also ensures that the Board and committees' 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 the Board or otherwise required for its efficient operation.

Jaiyansing Soobah, born in 1974 and a resident of Mauritius, is a Fellow of the Association of Chartered Certified Accountants and holds a Master in Business Administration. He started his career with De Chazal Du Mée (now BDO) where he spent 10 years in the audit and offshore departments. In 2003, he moved to the Financial Services Commission in the insurance supervision department.

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

In 2009, he joined CIM Group, and was subsequently appointed as Senior Manager Compliance of the insurance and investment cluster. He joined SWAN with the merger of the insurance businesses of Swan and CIM in June 2012. He is currently Senior Manager – Group Company Secretary and Group Risk Officer. He also holds directorship positions in the subsidiaries of Swan Group. He is also a Non-Executive Director of The Stock Exchange of Mauritius Ltd and of Central Depository & Settlement Co. Ltd.
Mr Jaiyansing SOOBAH attends to all board and committee meetings of the Company.

Directors' Profiles

Louis RIVALLAND

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.

List of other directorships:

Companies	**Position**
Aprica Investments Co Ltd	Director
Manufacturers' Distributing Station Limited	Director
Mauritius Investment Corporation Ltd	Director
Processure Compagnie Limitée	Director
Swan Corporate Affairs Ltd	Director
Swan Digital Ltd	Director
Swan Foundation	Director
Swan General Ltd	Director
Swan International Co Ltd	Director

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

List of other directorships: (cont'd)

Companies	Position
Swan Life Ltd	Director
Swan Pensions Ltd	Director
Swan Reinsurance PCC	Director
Swan Special Risks Co Ltd	Director
Swan Wealth International Ltd	Director
Swan Wealth Managers Ltd	Director
Swan Wealth Structured Product Ltd	Director

Ashley Coomar RUHEE

Ashley Coomar Ruhee gathers 20 years of experience in business leadership, technology transformation, management consulting and financial services. Prior to joining the Rogers Group in 2007, he occupied senior positions at Capgemini Telecom Media and Entertainment – Central & Southern Europe in Paris and DCDM Consulting, a company managed by Accenture in Mauritius.

He holds a first degree in Mathematics and Physics from the Faculté des Sciences de Luminy, Marseilles and a M.Eng in Automatic Control, Electronics and Computer Engineering with specialization in Real Time Computing and Systems from the Institut National des Sciences Appliquées, Toulouse. He also completed Executive Education Programs at the London Business School, INSEAD in Singapore and IMD in Lausanne.

He is the Chief Executive Officer of Rogers Capital since 2017 and has been selected as one of the young African leaders of tomorrow by the Institut Choiseul in Paris. He is a member of the Young Presidents' Organisation (YPO) and is the Honorary Consul of the Republic of Lithuania in Mauritius.

List of other directorships:

Company	Position
Rogers Capital Fin Ltd	Director
Rogers And Company Limited	Director
Rogers Capital Captive Insurance Management Services Ltd	Director
Rogers Capital City Executives Ltd	Director
Rogers Capital Corporate Services (Seychelles) Limited	Director
Rogers Capital Corporate Services Limited	Director
Rogers Capital Finance Ltd	Director
Rogers Capital Fund Services Ltd	Director
Rogers Capital Investment Advisors Ltd	Director
Rogers Capital Ltd	Director
Rogers Capital Management Services Ltd	Director
Rogers Capital Nominee 1 Ltd	Director

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

List of other directorships:

Company	Position
Rogers Capital Nominee 2 Ltd	Director
Rogers Capital Nominee Ltd	Director
Rogers Capital Outsourcing Ltd	Director
Rogers Capital Payment Solutions Ltd	Director
Rogers Capital Specialist Services Ltd	Director
Rogers Capital Tax Specialist Services Ltd	Director
Rogers Capital technology services Ltd	Director
Amethis Africa Finance Ltd	Director
Amethis Retail	Director
Aldelia Africa	Director
Stock Exchange of Mauritius Ltd	Director

Jose Michel Alan GODER

Born in 1967, worked in the Actuarial Department of The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Actuarial Clerk from February 1988 to April 1989. From May 1989 to December 1995, he was employed as Technical Supervisor in the Life Department of The Albatross Insurance Company Ltd.

From August 1996 to June 2001, he was Executive Director of Actuarial & Capital Management Services Ltd, now the AXYS GROUP.

From July 2001 to October 2004, he was the Chief Executive Officer of Pension Consultants & Administrators Limited (now known as Swan Pensions Ltd).

He joined The Anglo Mauritius Assurance Society Limited (now known as Swan Life Ltd) as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Swan Pensions Ltd. Since August 2009, Alan has been appointed to oversee the pension department of Swan Life Ltd.

Alan was also Senior Manager to the Group Systems & Processes department until December 2017. Since January 2018, he has been appointed as Chief Operations Officer of Swan Life Ltd. His key areas of specialisation are pensions administration and consulting.

Alan was appointed on the board of Director on 21 May 2021.

List of other directorship:

Companies	Position
Swan Digital Ltd	Director
Swan Pensions Rwanda (SPR) Ltd	Director
Processure Cie Ltée	Director
Swan Pensions Ltd	Director
Swan Financial Solutions Ltd	Director

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

Attendance at board meetings

No Board meeting could be scheduled for the year 2021 due to the covid-19 crisis. Decisions were therefore taken by way of written resolution.

Board Committees

In order to facilitate efficient decision-making, the Board has delegated some of its powers to two committees namely the Audit and Risks Committee ("ARC") and the Corporate Governance Committee ("CGC") which also acts as the Remuneration and Nomination Committee. These Committees operate within defined terms of reference which are available for consultation on Swan's website: www.swanforlife.com

Audit and Risks Committee

The Audit & Risks Committee ("ARC") is established at Group level. The Committee consists of four Non-Executive Directors three of whom are Independent including the Chairperson.

The current members are:

Mr. Arif Currimjee (Independent Non-Executive Director)
Mr. Henri Harel (Non-executive Director)
Mr. Peroomal Gopallen Mooroogen (Chairperson) (Independent Non-Executive Director)
Mr. Victor Seeyave (Independent Non-Executive Director) - *Resigned on 07.12.2021*
Ms Grace Sarah Leung Shing (Independent Non-Executive Director) - *Appointed on 02.08.2021*

The Committee meets at least four times a year. The Group Chief Executive attends the committee meetings unless a conflict of interest is likely to arise.

During the year under review, the Company held six ARC meetings at the level of the group as follows:

Name of Committee Members	Number of meetings attended
Arif Currimjee	6
Victor Seeyave	6
Gopallen Mooroogen	6
Henri Harel	5
Grace Sarah Leung Shing	2

Members of the Senior Management, the External Auditors and the Internal Auditors regularly attend meetings of the Audit and Risks Committee.

The Committee may secure the attendance of external professional advisers at its meetings in order to perform its duties.

The primary function of the Audit & Risks Committee in relation to audit is to assist the Board of Directors in discharging its oversight responsibilities with respect to:

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

Audit and Risks Committee (cont'd)

(a) the safeguarding of assets;
(b) the systems of internal controls regarding finance, accounting standards, legal compliance and ethical behaviour;
(c) the auditing, accounting and financial reporting processes generally;
(d) the financial statements and other financial information provided by the Group to its shareholders, the public and others;
(e) compliance with legal and regulatory requirements; and
(f) the performance of the Group's Internal Auditors and External Auditors.

In relation to risks, the Committee's responsibilities are, inter alia, to:

(a) review and assess the integrity of the risk control systems and ensuring that risk policies and strategies are effectively managed;
(b) set out the nature, role, responsibility and authority of the risk management function and outlining the scope of risk management work;
(c) keep abreast of external developments relating to the practice of corporate accountability;
(d) review and provide an independent and objective oversight on reports submitted by management on corporate accountability and specifically how associated risks are being mitigated.

The Committee is satisfied that it has discharged its responsibilities for the year in compliance with its terms of reference.

Corporate Governance Committee

The Corporate Governance Committee is established at Group level.

The Committee consisted of four Non-Executive Directors, three of whom are Independent.
Mr. Arif Currimjee *(Independent Non-Executive Director)*
Mr. Nicolas Maigrot (Chairperson) (*Non-Executive Director*)
Mr. Peroomal Gopallen Mooroogen (*Independent Non-Executive Director*)
Mr. Victor Seeyave (*Independent Non-Executive Director*)
Ms Grace Sarah Leung Shing (*Independent Non-Executive Director)*

The Group Chief Executive is in attendance of the Committee meetings.

The Corporate Governance Committee's terms of reference (which comprise areas covered by a Nomination and Remuneration Committee) include but are not limited to:
(a) determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;
(b) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;
(c) putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;
(d) making recommendations to the Board on all new Board appointments; and
(e) determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

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

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and shall set the appropriate procedures accordingly. The Committee is also authorised to obtain, at the Group's expense, such outside legal or other independent professional advice as it considers necessary to perform its duties.

During the year 2021, no Corporate Governance Committee could be scheduled due to the covid-19 crisis.

3. DIRECTOR APPOINTMENT PROCEDURES

Appointment of new directors is subject to a pre-determined process. Potential candidates are identified by the Corporate Governance Committee. The selection criteria used to assess prospective candidates relates to their specific skills, business acumen, industry knowledge, experience and expertise. The Corporate Governance Committee also considers gender diversity, time commitment and independence of the candidates in their assessment. The Corporate Governance Committee then recommend to the Board of Directors and/or shareholders (as relevant). Director's appointment is also subject to the approval of the Financial Services Commission, under section 24(1) of the Mauritian Financial Services Act 2007. The law also provides that a Director (Officer) must be a fit and proper person.

Board Induction

All new directors, upon joining the Board, receives a comprehensive induction pack from the Company Secretary which contains essential Board and Company information, the vision, mission and values of the Company as well as the regulatory and compliance landscape. In additional they meet the Company's key executives. The Group Chief Executive and Group Company Secretary are always available to provide any additional information that may be required by newly appointed Directors.

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

Professional Development and Training

Directors are encouraged to keep themselves abreast of changes and trends in the Company's business, environment and markets., It facilitates attendance to appropriate training programs so that Directors can continuously update their skills and knowledge.

Succession Planning

Succession planning of key officeholders has been delegated by the Board to the Group Chief Executive. A brief write-up of directors and the Company Secretary, details of the nomination & appointment process and summary of constitution can be accessed on SWAN website: swanforlife.com

4. DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The Directors are aware of their legal duties which emanates mainly from the Mauritian Companies Act 2001 and the Mauritian Insurance Act 2005. During the discharge of their duties, they 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 information and to the Management, if useful to perform their duties.

Moreover, the Company has a Code of Ethics, which is applicable to employees and Directors. Monitoring day-to-day compliance with the code rests with Senior Management. Important issues, if any, are escalated to the Board of Directors. The code explains SWAN's policies for how business is conducted in Mauritius and beyond. The principles of the code support full compliance with applicable laws. They also represent the practical ways that SWAN put its values to work every day. Our corporate values, Passion, People & Performance, serve as the foundation for this Code. Our values guide our actions in conducting business in a socially responsible and ethical manner. Directors are expected to:

a) act in good faith and in the best interest of the organisation;
b) carry out their duties diligently, in a 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.

Board Evaluation

The board recognises that a continuous and constructive critical evaluation of their performance is powerful feedback for improving board effectiveness, maximise strengths and highlighting areas for further development. A board evaluation was conducted during the year 2021 through questionnaire and appropriate actions, if required, would be taken based on feedback received.

Remuneration of Directors

The remuneration policy is considered at Group Level and duties are delegated to the Group Human Resource (HR) management team.

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

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

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the Company's performance. Executive and Non-executive directors receive a fixed director fee. The fees paid to the Directors of the Company are as follows:

Directors	Designation	Fixed portion
Louis Rivalland	Executive	Rs 10,000
Jose Michel Alan Goder	Executive	Rs 6,667
Ashley Coomar Ruhee	Non-Executive	Rs 10,000

Directors' Interests, Dealings in Securities and Related Party Transaction

In accordance with the Mauritian Companies Act 2001, the Company Secretary maintains an interest register at group level. Directors who are interested in a transaction or proposed transaction with the Company disclose their interest to the Board and cause same to be entered in the Interest Register. In conformity to the Company's constitution, a Director of the Company is not required to hold shares in the Company.

All new Directors/Officers are required to notify in writing to the Company Secretary their direct and indirect interests in the Company's shares. No Directors held shares in the Company for the period under review.

Conflict of Interest

Conflicts of interest are disclosed by the Directors as soon as they become aware 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

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. Related party transactions have been conducted in strict compliance with applicable legislations and the code of ethics. Please refer to Note 16 of the Financial Statements.

Information, information technology and information security governance

The Board of Directors is responsible for information governance. The Company lays due importance on the confidentiality, availability and protection of information backed by an adapted management information system. For fulfilling its obligations, the Board of Directors is supported by the Audit and Risks Committee and all the monitoring and evaluation of significant expenditure on Information Technology is taken by the Board.

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

Information, information technology and information security governance (cont'd)

Day-to-day IT governance and security issues are delegated to Senior Management of SWAN. 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. A brief of the IT policies can be accessed on the website of SWAN: www.swanforlife.com

5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board has ultimate responsibility for the Company's risk management and internal control and remains ultimately responsible for:

a) Setting up a risk management framework
b) Overseeing the implementation and subsequent monitoring
c) Determining the risk culture
d) Providing management with leadership and guidance
e) Ensuring that any person responsible for risk management has the appropriate skill, knowledge, independence and authority
f) Defining the roles and responsibilities of management

The Group Audit & Risks Committee is mandated by the Board to oversee all risk management and internal control issues. The task of implementing a robust system of risk management has been delegated to Group Senior Management and the Risk Officer. The Senior Management assist the Board of Directors in implementing, operating and monitoring the internal control systems which manage the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatements or loss.

A risk identification process was conducted as part of its parent company's process of risk management, and a risk register for the management of risks was established. The key risks are compliance risk, regulatory/legal risk and data loss risk.

Internal Control

The Board is responsible for the system of internal controls and has set appropriate policies to provide reasonable assurance that the control objectives are attained. The system of internal control has been designed to safeguard the 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.

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

Internal Control (cont'd)

The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems. Directors derive assurance that the risk management processes are in place and effective through internal audits.

Key areas of effective internal controls are as follows:

(a) A clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, and Group management;
(b) The effectiveness of internal controls is assessed by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, statutory actuary, the external auditors and from the regulator;
(c) A comprehensive management information and accounting system is in place to provide reliable financial and operational performance data;
(d) There is an ongoing effort to review, reassess and document the process and procedures for each operating unit;
(e) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established to ensure compliance with all applicable laws, rules, regulations and codes;
(f) Management has put in place appropriate financial and operational controls by way of segregation of duties and financial/monetary limits.

Internal control covers all material functions of the Company. The Board, through the Group Audit & Risks Committee and Senior Management of SWAN, 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 on an adhoc basis report to the Board of Directors.

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), International Accounting Standards ('IAS') and the Mauritian Companies Act 2001. 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 the financial statements.

The Board considers that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholder and other key stakeholders to assess the Company's position, performance and outlook.

The Annual Report of the Company for the financial year 2021 will be published on the website of SWAN.

Dividend Policy

The Company does not follow a formal dividend policy. Dividends are declared subject to the profitability of the Company, cash flow and the solvency requirement of the Mauritian Companies Act 2001. The Company declares dividend in December based on best estimates of yearly results to 31 December.

6. REPORTING WITH INTEGRITY (CONT'D)

Shareholders' Agreement affecting the governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of such agreement for the year under review.

Environmental Issues

The Company is committed to reducing its impact on the environment performance over time. The employees comply with all applicable laws and regulations. We adopt standards, procedures, contingency measures and management systems to ensure that our operations are managed safely, ecologically and in a sustainable way.

Health and Safety

SWAN has in place well defined procedures and practices with regards to Health and Safety. Wellness programs for employees of the Company are organised 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 Director and 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, colour, 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. AUDIT

Internal Audit

Internal Audit is an objective assurance function reporting to the Audit & Risks Committee and the Board of Directors. It derives its authority from the Board delegated through the Audit and Risks Committee. Collectively, Audit Committee members have the necessary financial literacy and expertise. Internal auditors are appointed by the Board of Directors, following recommendation from the Audit and Risks Committee. This information has been published on the website of the Company. The Internal Auditors are responsible for providing assurance to the Board, through the Audit & Risk Committee, regarding the implementation, operation and effectiveness of internal control and risks. Ernst & Young has been the internal auditor of the company and Group till March 2021. PwC Mauritius was thereafter appointed as the internal auditors effective as from September 2021. The Internal Auditors are responsible for providing assurance to the Board of Directors regarding the implementation, operation and effectiveness of internal control and risks management. An internal audit charter for SWAN and its subsidiaries is in place.

A 3 -year risk based road map is prepared for the group. The internal audit plan, which is approved by the Audit and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited. The plan is reviewed yearly.

7. AUDIT (CONT'D)

The Internal Auditors report directly to the members of the Audit & Risks Committee to maintain its independence and objectivity 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. They have unrestricted access to the records, management and employees.

They act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks are identified and managed.

External Audit

The external auditors of the Company are appointed annually at the Annual Meeting of Shareholder of the Company. The auditors of the Company are BDO & Co. The auditor's remuneration is fixed by the Board, following recommendation from the Audit and Risks Committee and approved by the Shareholders(s).

External auditors have unrestricted access to the Audit & Risks Committee. The Company is satisfied with the external audit process. The Audit & Risks Committee has not met with external auditor without management presence.

The external auditors meet the members of the Audit & Risks Committee to present and recommend to the board the audited yearly financial statements. During the meeting, key audit matters and significant issues of the management letter are presented by the external auditors to the members.

BDO & Co has been the auditor of the Company for more than 7 years. There has been a rotation of audit partner in 2021. The following fees were paid to BDO & Co:

For audit services	Rs 105,000

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places a great importance on open and transparent communication with its shareholders and stakeholders. The main 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, the Company'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.

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

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Mauritian Financial Reporting Act 2004)

Name of PIE: Swan Financial Solutions Ltd

Reporting Period: January 1, 2021 to December 31, 2021

We, the Directors of Swan Financial Solutions Ltd, confirm that to the best of our knowledge the PIE has complied with all of its obligations and requirements under the Code of Corporate Governance.

SIGNED BY:

Names: ....

DIRECTOR **DIRECTOR**

DATE: 20 May 2022 **DATE:** 20 May 2022

STATEMENT OF DIRECTORS' RESPONSBILITIES - YEAR ENDED DECEMBER 31, 2021

Directors acknowledge their responsibilities for:

(i) adequate accounting records and effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS); and

(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

(i) adequate accounting and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International financial reporting standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified;

(iv) The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Signed on behalf of the Board of Directors on: 20 May 2022

Director **Director**

SECRETARY'S CERTIFICATE - YEAR ENDED DECEMBER 31, 2021

We, **Swan Corporate Affairs Ltd**, the Company Secretary of Swan Financial Solutions Ltd (the "Company"), hereby certify to the best of our knowledge and belief, that we have filed with the Registrar of Companies, for the year ended December 31, 2021, all such returns as are required of the Company under section S166(d) of the Mauritian Companies Act 2001.

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

Date: 20 May 2022

BDO

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Fax: +230 202 9993
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10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWAN FINANCIAL SOLUTIONS LTD

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Swan Financial Solutions Ltd (the "Company"), on pages 6 to 23 which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 6 to 23 give a true and fair view of the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements and our auditor's report thereon.

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

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

Corporate Governance Report

Our responsibility under the 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWAN FINANCIAL SOLUTIONS LTD (CONT'D)

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SWAN FINANCIAL SOLUTIONS LTD (CONT'D)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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.

Other Matter

This report is made solely to the Shareholders of Swan Financial Solutions Ltd (the "Company"), 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 Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & Co
Chartered Accountants

Didier Dabydin, FCA
Licensed by FRC

Port Louis,
Mauritius.

20 May 2022

SWAN FINANCIAL SOLUTIONS LTD

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2021

	Notes	2021	2020
ASSETS		**Rs' 000**	Rs' 000
Non-current assets			
Equipment	5	**7**	8
Intangible assets	6	**5,538**	11,075
Investments in subsidiary companies	7	**531,501**	531,501
		537,046	542,584
Current assets			
Other assets	8	**15**	15
Cash and cash equivalents	9	**43,947**	67,002
		43,962	67,017
Total assets		**581,008**	609,601
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	**586,876**	586,876
(Revenue deficit)/retained earnings		**(6,328)**	22,256
Total equity		**580,548**	609,132
Current liability			
Other payables	11	**460**	469
Total equity and liabilities		**581,008**	609,601

These financial statements have been approved for issue by the Board of Directors on 20 May 2022

Director　　　　　　　　　　　　　　　　Director

The notes on pages 10 to 23 form an integral part of these financial statements.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2021

	Notes	2021	2020
		Rs' 000	Rs' 000
Revenue	12	**78,000**	95,000
Administrative expenses	13	**(6,584)**	(6,649)
Profit before tax		**71,416**	88,351
Income tax	14	**-**	-
Profit for the year		**71,416**	88,351
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**71,416**	88,351

The notes on pages 10 to 23 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2021

	Note	Share Capital	(Revenue deficit)/ Retained earnings	Total Equity
		Rs' 000	Rs' 000	Rs' 000
Balance at January 1, 2021		586,876	22,256	609,132
Profit for the year		-	71,416	71,416
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends	15	-	(100,000)	(100,000)
Balance at December 31, 2021		**586,876**	**(6,328)**	**580,548**
Balance at January 1, 2020		586,876	21,905	608,781
Profit for the year		-	88,351	88,351
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends	15	-	(88,000)	(88,000)
Balance at December 31, 2020		586,876	22,256	609,132

The notes on pages 10 to 23 form an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2021

	Note	2021	2020
		Rs' 000	Rs' 000
Cash generated from operations			
Profit before tax		**71,416**	88,351
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of equipment	5	**1**	64
Amortisation of intangible assets	6	**5,537**	5,537
Dividend income	12	**(78,000)**	(95,000)
Working capital adjustments:			
- Increase in other assets		**-**	(4)
- Decrease in other payables		**(9)**	(115)
Net cash flows used in operating activities		**(1,055)**	(1,167)
Investing activity			
Dividends received		**78,000**	190,000
Net cash flows generated from investing activity		**78,000**	190,000
Financing activity			
Dividends paid	15	**(100,000)**	(174,500)
Net cash flows used in financing activity		**(100,000)**	(174,500)
Net (decrease)/increase in cash and cash equivalents		**(23,055)**	14,333
Cash and cash equivalents at January 1,		**67,002**	52,669
Cash and cash equivalents at December 31,	9	**43,947**	67,002

The notes on pages 10 to 23 form an integral part of these financial statements.

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

1. GENERAL INFORMATION

Swan Financial Solutions Ltd is a private limited company, incorporated on February 29, 2012 and domiciled in Mauritius. The address of the registered office is 10, Swan Centre, Intendance Street, Port-Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of Swan Financial Solutions Ltd comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of an individual entity and do not contain consolidated financial information as parent of a group. The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs 000), except when otherwise indicated. The financial statements are prepared under historical cost convention, except that relevant financial assets and financial liabilities are stated at their fair values or carried at amortised cost.

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

Interest Rate Benchmark Reform Phase 2

IFRS 4 Insurance Contracts : The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 4 enables an insurer applying the temporary exemption from IFRS 9 to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments have no impact on the Company’s financial statements.

IFRS 7 Financial Instruments - Disclosures : The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. The amendments have no impact on the Company’s financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

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

Interest Rate Benchmark Reform Phase 2 (cont'd)

IFRS 9 Financial Instruments: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:

- designating an alternative benchmark rate as the hedged risk; or
- changing the description of the hedged item, including the designated portion, or of the hedging instrument.

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

IFRS 16 Leases: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments have no impact on the Company’s financial statements.

IFRS 16 Leases

Covid 19 related rent concessions: Effective June 1, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments have no impact on the Company’s financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods, but which the Company has not early adopted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) 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 financial statements, the following were in issue but not yet effective:

Effective date January 1, 2022

IFRS 1 ***First-time Adoption of International Financial Reporting Standards***
Annual Improvements to IFRS Standards 2018-2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

IFRS 3 ***Business Combinations***
Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

IFRS 9 ***Financial Instruments***
Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

IAS 16 ***Property, Plant and Equipment***
Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IAS 37 ***Provisions, Contingent Liabilities and Contingent Assets***
Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

IAS 41 ***Agriculture***
Annual Improvements to IFRS Standards 2018-2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2023

IFRS 17 ***Insurance contracts***

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The 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.

IAS 1 ***Presentation of Financial Statements***

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

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

IAS 8 ***Accounting Policies, Changes in Accounting Estimates and Errors***

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

IAS 12 ***Income Taxes***

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Amendment for which effective date has been deferred indefinitely until further notice

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

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

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

(b) Investments in subsidiary companies

Investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

(c) Equipment

All equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Equipment (cont'd)

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

Computer equipment	33.3%
Office equipment	10%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, 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.

(d) Intangible assets

(i) *Customer portfolio*
Customer portfolio represents the value of the customer list and is being amortised using the straight line method over a period of ten years.

(ii) *Computer Software*
Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (5 years).

(e) Financial assets

The Company classifies its financial assets depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Company’s accounting policy is as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial assets (cont'd)

Amortised cost

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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

Cash and cash equivalents includes only cash at bank.

(f) Financial liabilities

The Company classifies its financial liabilities as follows:

Other financial liabilities

Other financial liabilities include only other payables, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(g) Current income tax

The tax expense for the period comprises of current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current Tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any 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).

(i) Revenue recognition

The Company does not derive revenue that falls under the scope of IFRS 15 and hence will not be applying the standard.

Revenue earned by the Company are recognised on the following bases:
• Dividend income - when the shareholder's right to receive payment is established.

(j) Share capital

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

(k) Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activity does not currently expose it to financial risks namely market risk (including currency risk, fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk.

3.2 Fair value estimation

Except where otherwise stated, the carrying amounts of the Company's financial assets and liabilities approximate their fair values.

3.3 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholder by pricing services commensurately with the level of risk.

The Company's gearing ratio is insignificant.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 financial statements have been prepared on a going concern basis.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of Company's assets and liabilities within the next financial year.

5. EQUIPMENT

	Computer Equipment	Office Equipment	Total
	Rs' 000	Rs' 000	Rs' 000
COST			
At December 31, 2020 & 2021	**278**	**13**	**291**
DEPRECIATION			
At January 1, 2020	215	4	219
Charge for the year	63	1	64
At December 31, 2020	278	5	283
Charge for the year	-	1	1
At December 31, 2021	**278**	**6**	**284**
NET BOOK VALUE			
At December 31, 2021	**-**	**7**	**7**
At December 31, 2020	-	8	8

6. INTANGIBLE ASSETS

	Customer Portfolio	Computer Software	Total
	Rs' 000	Rs' 000	Rs' 000
COST			
At December 31, 2020 & 2021	**55,375**	**1,466**	**56,841**
AMORTISATION			
At January 1, 2020	38,763	1,466	40,229
Charge for the year	5,537	-	5,537
At December 31, 2020	44,300	1,466	45,766
Charge for the year	5,537	-	5,537
At December 31, 2021	**49,837**	**1,466**	**51,303**
NET BOOK VALUE			
At December 31, 2021	**5,538**	**-**	**5,538**
At December 31, 2020	11,075	-	11,075

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	2021	2020
	Rs' 000	Rs' 000
At January 1, and December 31	**531,501**	531,501

(a) Details of the subsidiary companies are as follows:

Name	Class of shares held	Year end	Stated Capital	Nominal value of investment	Proportion of ownership interest (direct)	Place of business/ Country of incorporation	Main business
			Rs'000	Rs'000			
2021 & 2020							
Swan Wealth Managers Ltd	Ordinary shares	December 31,	1,600	469,501	100%	Mauritius	Fund management and investment
Swan Securities Ltd	Ordinary shares	December 31,	10,000	62,000	100%	Mauritius	Stockbroking

These separate financial statements contain information about Swan Financial Solutions Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IFRS 10, 'Consolidated Financial Statements,' from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its holding company, Swan Life Ltd that comply with IFRS. A copy of the consolidated financial statements is available at the head office of Swan Life Ltd found at 10, Swan Group Centre, Intendance Street, Port-Louis.

8. OTHER ASSETS

	2021	2020
	Rs' 000	Rs' 000
Prepayments	**15**	15

9. CASH AND CASH EQUIVALENTS

	2021	2020
	Rs' 000	Rs' 000
Cash at bank	**43,947**	67,002

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

10. SHARE CAPITAL

	2021	2020
	Rs' 000	Rs' 000
Authorised and Issued		
At January 1, and December 31	**586,876**	586,876

The stated number of ordinary shares is 586,876,250 at no par value. All shares are fully paid.
Fully paid ordinary shares carry one vote per share and carry a right to dividends.

11. OTHER PAYABLES

	2021	2020
	Rs' 000	Rs' 000
Amount due to ultimate holding company *(Note 16)*	**-**	63
Amount due to holding company (*Note 16)*	**309**	266
Other payables	**151**	140
	460	469

The carrying amounts of other payables approximate their fair values.

12. REVENUE

	2021	2020
	Rs' 000	Rs' 000
Dividend income	**78,000**	95,000

13. EXPENSES BY NATURE

	2021	2020
	Rs' 000	Rs' 000
Audit and tax fees	**134**	130
Depreciation of equipment *(Note 5)*	**1**	64
Amortisation of intangible assets *(Note 6)*	**5,537**	5,537
Secretarial fees	**480**	480
Directors' Fees	**27**	30
Others	**405**	408
	6,584	6,649

14. INCOME TAX

	2021	2020
	Rs' 000	Rs' 000
Current tax on the adjusted profit for the year at 15% (2020: 15%)	**-**	-

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:

	2021	2020
	Rs' 000	Rs' 000
Profit before tax	**71,416**	88,351
Tax calculated at 15% (2020: 15%)	**10,712**	13,253
Income not subject to tax	**(11,700)**	(14,250)
Expenses not deductible for tax purposes	**988**	997
	-	-

15. DIVIDENDS

	2021	2020
	Rs' 000	Rs' 000
Final dividend for the year ended December 31 of Rs.0.170 (2020: Rs.0.149) per share	**100,000**	88,000

16. RELATED PARTY TRANSACTIONS

(a)

	Purchase of services	**Dividend income**	**Amount owed to related parties**
	Rs' 000	**Rs' 000**	**Rs' 000**
<u>2021</u>			
Ultimate holding company	**66**	**-**	**-**
Holding company	**309**	**-**	**309**
Subsidiary	**-**	**78,000**	**-**
Fellow subsidiary	**480**	**-**	**-**
<u>2020</u>			
Ultimate holding company	63	-	63
Holding company	314	-	266
Subsidiary	-	95,000	-
Fellow subsidiary	480	-	-

16. RELATED PARTY TRANSACTIONS (CONT'D)

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

(c) The purchases from related parties are made at normal market prices. The outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

(d) There has been no guarantees provided for any related party payables.

17. HOLDING AND ULTIMATE HOLDING COMPANIES

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