



Swan Insurance Company Limited

Condensed Audited Financial Statements - Year ended 31st December 2011

The Directors are pleased to present the condensed financial statements of the Group and the Company for the year ended 31st December 2011 as audited by Messrs BDO & Co.

(a) Basis of Accounting

The condensed audited financial statements comply with the International Financial Reporting Standards (IFRS) and are prepared under the historical cost convention except that:

- (i) available-for-sale financial assets are stated at fair value.
- (ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

(b) Income Tax

Current tax rate on the profit for the year is at 15%. (2010: 15%).

(c) Operations

(i) Short-Term

The Company achieved good operational results in challenging market and economic conditions. Emphasis was maintained on growing quality business, as a result of which underwriting surplus showed a steady growth and the profit level was improved.

(ii) Long-Term

Long-term operations performance has been satisfactory and even exceeded expectations, the total net premium income having experienced a growth of 21%.

(d) Investments

In spite of the global downfall of market indices, the Group's investment portfolios performed quite well, as a result of a cautious investment strategy.

For and on behalf of the Board of Directors

Swan Group Corporate Services Limited
Secretary
28 March 2012

1. Statements of Financial Position

	THE GROUP		THE COMPANY	
	As at 31 st Dec 2011 Rs'000	As at 31 st Dec 2010 Rs'000	As at 31 st Dec 2011 Rs'000	As at 31 st Dec 2010 Rs'000
ASSETS				
Non-current assets				
Property and equipment	86,703	84,001	86,517	83,785
Investment in subsidiary companies	-	-	80,220	55,220
Investment in associated company & joint venture	44,824	58,633	500	500
Investment in financial assets	545,452	601,149	559,441	601,149
Other non-current assets	115,493	100,599	115,493	100,599
	792,472	844,382	842,171	841,253
Current assets	1,455,737	1,132,636	1,279,901	1,070,645
Life Business Assets	20,586,765	20,888,758	-	-
Total assets	22,834,974	22,865,776	2,122,072	1,911,898
EQUITY AND LIABILITIES				
Capital and reserves (attributable to owners of the parent)				
Share capital	35,857	35,857	35,857	35,857
Reserves	1,107,998	977,394	1,049,868	962,843
Owners' interest	1,143,855	1,013,251	1,085,725	998,700
Non-controlling interests	64,924	50,853	-	-
Total equity	1,208,779	1,064,104	1,085,725	998,700
Life Assurance Fund	20,586,765	20,888,758	-	-
Technical provisions	846,767	786,837	846,767	786,837
Non-current liabilities	36,129	37,726	35,967	37,612
	21,469,661	21,713,321	882,734	824,449
Current liabilities	95,578	88,351	92,657	88,749
Dividend payable	60,956	-	60,956	-
	156,534	88,351	153,613	88,749
Total equity and liabilities	22,834,974	22,865,776	2,122,072	1,911,898
Net assets per share (Rs/cš)	159.50	141.29	151.40	139.26
Number of shares used in calculation			7,171,346	7,171,346

2. Income Statements

	THE GROUP		THE COMPANY	
	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000
Gross premiums	3,344,050	2,920,258	1,339,600	1,245,321
Net earned premiums	2,463,299	2,078,735	540,420	487,575
Profit before taxation	238,086	229,191	221,420	205,475
Taxation	(25,247)	(25,468)	(25,105)	(25,452)
Profit for the year	212,839	203,723	196,315	180,023
Profit attributable to:				
Owners of the parent	195,848	184,046	196,315	180,023
Non-controlling interests	16,991	19,677	-	-
Earnings per share (Rs/cš)	27.31	25.66	27.37	25.10
Number of shares used in calculation			7,171,346	7,171,346

Swan Group

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3. Statements of Comprehensive Income

	THE GROUP		THE COMPANY	
	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000
Profit for the year	212,839	203,723	196,315	180,023
Other comprehensive income for the year	23,912	(43,989)	(48,334)	42,517
Total comprehensive income for the year	236,751	159,734	147,981	222,540
Total comprehensive income attributable to:				
Owners of the parent	221,388	152,538	147,981	222,540
Non-controlling interests	15,363	7,196	-	-
	236,751	159,734	147,981	222,540

4. Statements of Changes in Equity

	Attributable to owners of the parent							
	Share Capital Rs'000	Fair value reserves Rs'000	Revaluation and other reserves Rs'000	Proprietors' fund Rs'000	Retained Earnings Rs'000	Total Rs'000	Non-Controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP								
Balance at 1 st January 2011	35,857	150,730	49,321	(32,214)	809,557	1,013,251	50,853	1,064,104
Total Comprehensive Income for the year	-	(48,334)	(7,403)	81,277	195,848	221,388	15,363	236,751
Dividend	-	-	-	-	(60,956)	(60,956)	(17,131)	(78,087)
Consolidation adjustment	-	-	(29,828)	-	-	(29,828)	15,839	(13,989)
Balance at 31st December 2011	35,857	102,396	12,090	49,063	944,449	1,143,855	64,924	1,208,779
Balance at 1 st January 2010	35,857	108,213	61,179	29,953	678,802	914,004	60,844	974,848
Total Comprehensive Income for the year	-	42,517	(11,858)	(62,167)	184,046	152,538	7,196	159,734
Transfer	-	-	-	-	1,928	1,928	(1,928)	-
Dividend	-	-	-	-	(55,219)	(55,219)	(15,259)	(70,478)
Balance at 31st December 2010	35,857	150,730	49,321	(32,214)	809,557	1,013,251	50,853	1,064,104
(b) THE COMPANY								
Balance at 1 st January 2011	35,857	150,730	28,719	-	783,394	998,700	-	998,700
Total Comprehensive Income for the year	-	(48,334)	-	-	196,315	147,981	-	147,981
Dividend	-	-	-	-	(60,956)	(60,956)	-	(60,956)
Balance at 31st December 2011	35,857	102,396	28,719	-	918,753	1,085,725	-	1,085,725
Balance at 1 st January 2010	35,857	108,213	28,719	-	658,590	831,379	-	831,379
Total Comprehensive Income for the year	-	42,517	-	-	180,023	222,540	-	222,540
Dividend	-	-	-	-	(55,219)	(55,219)	-	(55,219)
Balance at 31st December 2010	35,857	150,730	28,719	-	783,394	998,700	-	998,700

5. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000	Year Ended 31 st Dec 2011 Rs'000	Year Ended 31 st Dec 2010 Rs'000
Net cash generated from operating activities	135,175	99,838	117,834	87,745
Net cash used in investing activities	(7,749)	(117,334)	(33,294)	(117,204)
Net cash used in financing activities	(17,131)	(70,478)	-	(55,219)
Increase/(decrease) in cash and cash equivalents	110,295	(87,974)	84,540	(84,678)
Movement in cash and cash equivalents				
At 1 st January	272,119	359,127	269,573	353,490
Increase/(decrease)	110,295	(87,974)	84,540	(84,678)
Effect of exchange rate changes	(1,167)	966	(1,041)	761
At 31st December	381,247	272,119	353,072	269,573

6. Segment Information - (Group)

	Life Rs'000	Casualty Rs'000	Property Rs'000	Total Rs'000
Year ended 31st December 2011				
Gross premiums	2,004,450	895,671	443,929	3,344,050
Net earned premiums	1,922,879	424,020	116,400	2,463,299
Underwriting surplus	-	194,624	123,356	317,980
Year ended 31st December 2010				
Gross premiums	1,674,938	809,129	436,191	2,920,258
Net earned premiums	1,591,160	377,589	109,986	2,078,735
Underwriting surplus	-	177,094	116,275	293,369