

Condensed Audited Financial Statements - Year Ended December 31, 2017

The Directors are pleased to present the condensed audited financial statements of the Group and the Company for the Year Ended December 31, 2017 as audited by Messrs BDO & Co.

(a) Basis of Accounting

The condensed audited financial statements have been extracted from the audited financial statements for the year ended 31 December 2017 which have been prepared in accordance with International Financial Reporting Standards.

Comparative period figures have been restated to reflect adjustment made for retirement benefit obligations and investment in associated company.

(b) Operations

Short Term

The gross and net earned premium grew in line with expectations despite the persisting soft market conditions. The general adverse claims trend observed in some lines of business was satisfactorily contained through rigorous claims monitoring and control. These elements contributed to an appreciable improvement in the net underwriting result for 2017 compared to the preceding year.

Long Term

The increase in premium income over the year was satisfactory as compared to 2016.

(c) Investments

The investment fund made additional gains in the fourth quarter of 2017 and boosted annual performance, with all asset classes contributing positively. On the local equity market, although foreign investors were net sellers over the year, indices closed with strong gains as local players increased their stakes. On the international platform, the main equity indices leapt forward. On the other hand, the persistent weakness in the US dollar weighed on Mur-denominated returns which, nevertheless, remained strong.

In the fixed income arena, despite another cut to the Key Repo Rate and an increase in excess liquidity, our portfolio delivered a commendable performance on the back of an active rebalancing strategy.

For and on behalf of the Board of Directors

Swan Corporate Affairs Ltd
Company Secretary
March 27, 2018

1. Statements of Financial Position

	THE GROUP			THE COMPANY		
	As at Dec 31, 2017 Rs'000	As at Dec 31, 2016 Rs'000 Restated	As at Jan 1, 2016 Rs'000 Restated	As at Dec 31, 2017 Rs'000	As at Dec 31, 2016 Rs'000 Restated	As at Jan 1, 2016 Rs'000 Restated
ASSETS						
Non-current assets						
Property and equipment	90,899	94,403	97,596	90,258	93,113	96,019
Investment in subsidiary companies	-	-	-	536,371	535,957	465,418
Investment in associated company and joint ventures	61,242	69,958	85,225	500	501	500
Investment in financial assets	1,856,171	1,623,125	1,552,221	1,630,544	1,415,881	1,358,820
Non current receivables	60,832	-	-	59,950	-	-
Other non-current assets	200,509	223,209	227,055	163,189	170,563	171,062
	2,269,653	2,010,695	1,962,097	2,480,812	2,216,015	2,091,819
Current assets						
Life business assets	3,565,349	3,002,043	2,937,762	2,378,332	1,962,878	1,971,279
Total assets	45,716,580	39,499,856	36,995,820	4,859,144	4,178,893	4,063,098
EQUITY AND LIABILITIES						
Capital and reserves (attributable to owners of the parent)						
Share capital	41,379	41,379	41,379	41,379	41,379	41,379
Retained earnings	1,604,806	1,459,819	1,386,815	1,730,617	1,593,287	1,473,593
Other reserves	1,026,634	855,340	882,718	473,373	379,443	445,191
Owners' interest	2,672,819	2,356,538	2,310,912	2,245,369	2,014,109	1,960,163
Non-controlling interests	352,569	336,719	347,868	-	-	-
Total equity	3,025,388	2,693,257	2,658,780	2,245,369	2,014,109	1,960,163
Life assurance fund	39,881,578	34,487,118	32,095,961	-	-	-
Technical Provisions	2,082,371	1,814,025	1,631,440	2,021,414	1,774,508	1,611,117
Non-current liabilities						
	214,373	199,740	137,008	187,032	164,186	130,257
	42,178,322	36,500,883	33,864,409	2,208,446	1,938,694	1,741,374
Current liabilities						
	512,870	305,716	472,631	405,329	226,090	361,561
Total equity and liabilities	45,716,580	39,499,856	36,995,820	4,859,144	4,178,893	4,063,098
Net assets per share (Rs/cs)	322.97	284.75	279.24	271.32	243.37	236.86
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769	8,275,769

2. Statements of Profit or Loss and Other Comprehensive Income

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2017 Rs'000	Year Ended Dec 31, 2016 Rs'000 Restated	Year Ended Dec 31, 2017 Rs'000	Year Ended Dec 31, 2016 Rs'000 Restated
Gross premiums	6,813,857	6,392,318	2,652,735	2,401,074
Net earned premiums	5,314,230	4,948,565	1,448,295	1,256,469
Share of profit/(loss) of associated company and joint ventures	408	(4,656)	-	-
Profit before taxation	281,084	253,883	251,936	230,754
Taxation	(15,673)	(13,158)	(15,297)	(11,751)
Profit for the year	265,411	240,725	236,639	219,003
Other comprehensive income for the year	258,024	(53,874)	93,930	(65,748)
Total comprehensive income for the year	523,435	186,851	330,569	153,255
Profit attributable to:				
Owners of the parent	244,296	222,395	236,639	219,003
Non-controlling interests	21,115	18,330	-	-
	265,411	240,725	236,639	219,003
Total comprehensive income attributable to:				
Owners of the parent	481,582	168,404	330,569	153,255
Non-controlling interests	41,853	18,447	-	-
	523,435	186,851	330,569	153,255
Earnings per share (Rs/cs)	29.52	26.87	28.59	26.46
Number of shares used in calculation	8,275,769	8,275,769	8,275,769	8,275,769

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3. Statements of Changes in Equity

Attributable to owners of the parent company

	Share Capital Rs'000	Fair Value Reserve Rs'000	Other Reserves Rs'000	Proprietors' Fund Rs'000	Retained Earnings Rs'000	Amalgamation Reserve Rs'000	Actuarial gains/(losses) Rs'000	Total Rs'000	Non-controlling Interests Rs'000	Total Equity Rs'000
(a) THE GROUP										
Balance at Jan 1, 2017	41,379	208,515	54,460	419,787	1,494,110	267,477	(91,701)	2,394,027	344,523	2,738,550
As previously stated	-	-	(108)	-	(34,291)	-	(3,090)	(37,489)	(7,804)	(45,293)
Corrections of prior period errors	41,379	208,515	54,352	419,787	1,459,819	267,477	(94,791)	2,356,538	336,719	2,693,257
As restated	-	-	-	-	244,296	-	-	244,296	21,115	265,411
Profit for the year	-	141,872	(23,031)	122,261	-	-	(3,816)	237,286	20,738	258,024
Other comprehensive income for the year	-	-	-	-	-	-	-	-	25,532	25,532
Other movement	-	-	-	(65,992)	-	-	-	(65,992)	(13,785)	(79,777)
Non distributable reserve	-	-	-	-	(99,309)	-	-	(99,309)	(37,783)	(137,092)
Dividends	-	-	-	-	-	-	-	-	33	33
Non-controlling interest arising on business combinations	-	-	-	-	-	-	-	-	-	-
Balance at Dec 31, 2017	41,379	350,387	31,321	476,056	1,604,806	267,477	(98,607)	2,672,819	352,569	3,025,388

Balance at Jan 1, 2016	41,379	228,359	54,848	387,720	1,412,831	267,477	(55,472)	2,337,142	350,294	2,687,436
As previously stated	-	-	(214)	-	(26,016)	-	-	(26,230)	(2,426)	(28,656)
Corrections of prior period errors	41,379	228,359	54,634	387,720	1,386,815	267,477	(55,472)	2,310,912	347,868	2,658,780
As restated	-	-	-	-	222,395	-	-	222,395	18,330	240,725
Profit for the year	-	(19,844)	(282)	5,454	-	-	(39,319)	(53,991)	117	(53,874)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	23,281	23,281
Other movement	-	-	-	-	(50,082)	-	-	(50,082)	(20,458)	(70,540)
Transactions with non-controlling interests	-	-	-	26,613	-	-	-	26,613	6,707	33,320
Non distributable reserve	-	-	-	-	(99,309)	-	-	(99,309)	(39,126)	(138,435)
Dividends	-	-	-	-	-	-	-	-	-	-
Balance at Dec 31, 2016	41,379	208,515	54,352	419,787	1,459,819	267,477	(94,791)	2,356,538	336,719	2,693,257

(b) THE COMPANY

Balance at Jan 1, 2017	41,379	210,550	43,099	-	1,619,522	220,593	(91,709)	2,043,434	-	-
As previously stated	-	-	-	-	(26,235)	-	(3,090)	(29,325)	-	-
Corrections of prior period errors	41,379	210,550	43,099	-	1,593,287	220,593	(94,799)	2,014,109	-	-
As restated	-	-	-	-	236,639	-	-	236,639	-	-
Profit for the year	-	97,746	-	-	-	-	(3,816)	93,930	-	-
Other comprehensive income for the year	-	-	-	-	(99,309)	-	-	(99,309)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Balance at Dec 31, 2017	41,379	308,296	43,099	-	1,730,617	220,593	(98,615)	2,245,369	-	-

Balance at Jan 1, 2016	41,379	251,359	28,719	-	1,497,298	220,593	(55,480)	1,983,868	-	-
As previously stated	-	-	-	-	(23,705)	-	-	(23,705)	-	-
Corrections of prior period errors	41,379	251,359	28,719	-	1,473,593	220,593	(55,480)	1,960,163	-	-
As restated	-	-	-	-	219,003	-	-	219,003	-	-
Profit for the year	-	(14,380)	14,380	-	-	-	-	-	-	-
Reclassification	-	(26,429)	-	-	-	-	(39,319)	(65,748)	-	-
Other comprehensive income for the year	-	-	-	-	(99,309)	-	-	(99,309)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Balance at Dec 31, 2016	41,379	210,550	43,099	-	1,593,287	220,593	(94,799)	2,014,109	-	-

4. Statements of Cash Flows

	THE GROUP		THE COMPANY	
	Year Ended Dec 31, 2017 Rs'000	Year Ended Dec 31, 2016 Rs'000 Restated	Year Ended Dec 31, 2017 Rs'000	Year Ended Dec 31, 2016 Rs'000 Restated
Net cash generated from operating activities	79,617	160,008	47,904	113,067
Net cash generated from investing activities	16,711	92,234	21,036	71,159
Net cash (used in)/generated from financing activities	(17,647)	(287,798)	25,380	(235,506)
Increase / (decrease) in cash and cash equivalents	78,681	(35,556)	94,320	(51,280)
Movement in cash and cash equivalents:				
At Jan 1,	138,396	168,233	69,980	120,367
Increase/(decrease)	78,681	(35,556)	94,320	(51,280)
Effect of exchange rate changes	6,945	5,719	(2,458)	893
At Dec 31,	224,022	138,396	161,842	69,980

5. Segment Information - (Group)

	Life	Casualty	Property	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Year ended Dec 31, 2017				
Gross premiums	4,026,740	2,068,459	718,658	6,813,857
Underwriting surplus	-	284,291	212,629	496,920
Investment & other income	-	-	-	292,559
Management expenses, depreciation & amortisation	-	-	-	(508,803)
Share of profit of associated company & joint ventures	-	-	-	408
Profit before taxation	-	-	-	281,084
Year ended Dec 31, 2016 - Restated				
Gross premiums	3,859,237	1,849,631	683,450	6,392,318
Underwriting surplus	-	280,418	162,206	442,624
Investment & other income	-	-	-	280,450
Management expenses, depreciation & amortisation	-	-	-	(464,535)
Share of loss of associated company & joint ventures	-	-	-	(4,656)
Profit before taxation	-	-	-	253,883

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

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

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