INTERNATIONAL ASSURANCE LIMITED PCC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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INTERNATIONAL ASSURANCE LIMITED PCC
CORPORATE INFORMATION

DIRECTORS		*Appointed on*
	Richard James Robinson	02.12.2015
	Bernard Emil Futter	02.12.2015
	Charles Hugh Hargreaves Robinson	02.12.2015
	Ian Andrew Chambers	02.12.2015
	Phillip Pettersen	02.12.2015
	George Alfred Allen	02.12.2015
	David Sean O'Connor	02.12.2015
	Olivier Nicolas Bernard	28.04.2017
	Peter John Thompson	30.06.2020

REGISTERED OFFICE
4th Floor, Ebene Skies,
Rue de L'Institut,
Ebene
Mauritius

AUDITOR
Ernst & Young
6th Floor, IconEbene, Rue de L'institut,
Ebene
Mauritius

BANK
The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Mauritius

MAIN CUSTODIAN
Capital International Group
Capital House, Circular Road,
Douglas,
Isle of Man

ADMINISTRATOR & SECRETARY
Mauritius International Trust Company Limited ("MITCO")
4th Floor, Ebene Skies,
Rue de L'Institut,
Ebene
Mauritius

INTERNATIONAL ASSURANCE LIMITED PCC
DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of International Assurance Limited PCC ("the Company") for the year ended 31 December 2022.

The Company
International Assurance Limited PCC was incorporated under the Companies Act 2001 as a public company on 29 June 2009 and holds a Long-Term Insurance Business License. The Company is a Protected Cell Company and was granted a Category 1 Global Business License on 1 July 2009. During the previous financial year, the Company converted its status to a Global Business Company following regulatory and tax changes in Mauritius. Its registered office is located at 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius.

Principal Activity
The principal activity of the Company is to offer life assurance and investment with risk (life cover) products to a wide range of investors in markets such as Africa, Europe, Middle and the Far East.

Results and Dividend
The results for the year are shown on page 34 and related notes to the financial statements.

The directors do not recommend the payment of dividend for the year under review (2021: USD Nil).

Statement of directors' responsibilities
The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes to the financial statements, in accordance with International Financial Reporting Standards and the Companies Act 2001.

The directors' responsibilities include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Going Concern
The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

Directors
The directors who held office on 31 December 2022 were:

Richard James Robinson
Bernard Emil Futter
Charles Hugh Hargreaves Robinson
Ian Andrew Chambers
Phillip Pettersen
George Alfred Allen
David Sean O'Connor
Olivier Nicolas Bernard
Peter John Thompson

Secretary
Mauritius International Trust Company Limited ("MITCO").

Auditor
The auditor, Ernst & Young, has indicated its willingness to act as auditor of the Company.

Statement of disclosure to Auditors
The Directors confirm that:

- So far, each director is aware that there is no relevant audit information of which the Company's auditors are unaware of.
- Each director has taken all the steps he ought to have taken as a director to make him aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Protected Cells
The Company, as at the reporting period, consists of the following active cells:

- International Assurance Limited PCC - Cell 1
- International Assurance Limited PCC - Cell 2
- International Assurance Limited PCC - Cell 5
- International Assurance Limited PCC - Cell 6
- International Assurance Limited PCC - Cell 7
- International Assurance Limited PCC - Cell 10

By order of the Board Type text here

Richard Robinson	**Bernard Emil Futter**
Director	**Director**

Date: 28 August 2023

International Assurance Limited PCC ("IAL") is a licensed long-term insurance business and protected cell company in Mauritius, providing investment, savings, individual life insurance, group life insurance and retirement funding solutions in Africa, the Middle East, Europe, the Americas and Asia. As a holder of a Global Business License in Mauritius, International Assurance Limited PCC ("IAL") has an obligation to comply with the National Code of Corporate Governance 2016 (the "Code"). The Code adopts a 'principles-based' approach, and the core of the Code consists of 8 corporate governance principles namely:

Principle 1: Governance structure
Principle 2: The Structure of the Board and Its Committees
Principle 3: Director's appointment procedures
Principle 4: Directors' duties, remuneration and performance
Principle 5: Risk Governance and Internal Control
Principle 6: Reporting with Integrity
Principle 7: Audit
Principle 8: Relations with Shareholders and other key Stakeholders

Details of how the Company has applied the principles of the Code and complied with its provisions, as well as international best practices are set out in this report.

The IAL Board is committed to the highest standards of business integrity, ethical values, and governance. It recognises the Company's responsibility to conduct its affairs ethically, transparently, with accountability, fairly and in a socially responsible way. This ensures a sustainable business that creates value for its stakeholders.

The Board acknowledges the relationship between good governance, risk management practices and achieving the Company's strategic objectives. IAL subscribes to a governance system in which ethics and integrity set the standards for good governance. It constantly reviews and adapts its structures and processes to facilitate effective leadership and sustainability to comply with the Code.

Principle 1: Governance Structure

All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.

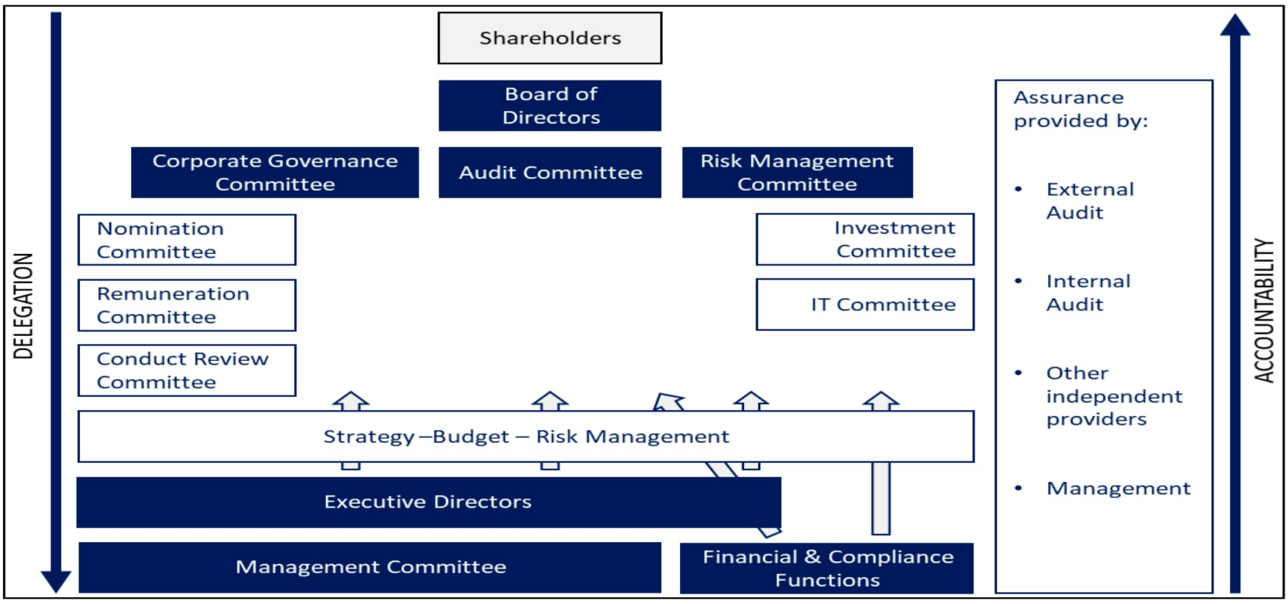
The Board

The Board is collectively responsible to the IAL shareholders for the long-term sustainable success of the business.

As at the date of this report the Board is comprised of the Chairman (Independent Non-Executive), two Executive Directors, three Non-Executive Directors and three Independent Non-Executive Directors. The duties of the Board and of each of its committees are set out in the respective Charters and their Terms of Reference. The Board and committees' charters can be found on the Company's website at www.international-assurance.com and are also available on request from the Company Secretary. The Charters' Terms of Reference list both matters that are specifically reserved for decision by the Board and those matters that must be reported to it. The Board delegates clearly defined responsibilities to various committees and reports from the Audit, Corporate Governance and Risk Management Committees are submitted to the Board at each quarterly Board Meeting.

The composition of the Board of IAL is such that it has a balanced number of Independent and Executive/Non-Executive Directors with diverse skills, qualifications and resources. Three Board members are resident in Mauritius and six are non-resident. All key senior governance positions within the Company have written job descriptions.

Corporate Governance Framework



The Role of the Board

IAL's principal decision-making body is the Board of Directors, and its task is to manage the Company's affairs on behalf of the Shareholders and other stakeholders. The Board members are nominated by the Shareholders.

IAL is led by an effective and highly committed unitary Board. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks and is collectively responsible for the long-term success of the Company. The Board of Directors is committed to the highest standards of business integrity, transparency and professionalism in all of its activities, so as to ensure the continued prosperity of the Company.

The Board of IAL is responsible for ensuring that the Company's activities are managed ethically and responsibly, in line with relevant laws and regulations. In addition, IAL's Board works to create long term sustainable value for the shareholders and other stakeholders, focusing on strategic leadership, performance management, risk management and governance. Each of these areas forms a key part of the Board's agenda and enables it to plan meetings appropriately, giving sufficient time to focus on the schedule of objectives. The work is distributed between the Board, its committees, and the management.

The Board's ultimate responsibility is for the supervision of the Company. Board members have unrestricted access to the records of IAL and its management team and have the right to seek independent professional advice, at the expense of the Company, to enable them to discharge their responsibilities effectively.

The primary responsibilities of the Board address a wide range of corporate governance issues and include, but are not limited to:

- Formulation of medium and long-term direction and strategy for the Company.
- Establishment of capital structure and dividend policy.
- Ensuring the Company's operations are well managed.
- Review of major initiatives proposed by management.
- Implementation of policy and procedures to support the governance framework of the Company.
- Regular review of the results and operations of the Company.
- Provide the necessary oversight to ensure that proper accounting records are maintained, and adequate controls are in place to safeguard the assets of the Company from fraud and other significant risks.
- Regular evaluation of board performance.
- Oversight of the Company's Risk Management Framework.

Board Charter

The Board of IAL has adopted and approved a Board Charter for the Company. The Board Charter is a written policy document which defines the respective roles, responsibilities, and authorities of the Board of Directors (both individually and collectively) and management in setting the direction, the management, and the control of the Company. The Board reviews and updates the Board Charter as and when necessary but at least every year.

Reporting with Integrity

The Directors are responsible for preparing the annual reports and financial statements in accordance with applicable law and regulations. The Board is responsible for preparing its financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act 2001.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy at any time, the financial position of the IAL. The Directors have the duty to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principle 2: The Structure of the Board and its Committees

The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors, and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.

Composition

The Board, under the recommendations of the Corporate Governance Committee, is responsible for the appointment of Directors. IAL has a balance of experienced and qualified directors. The Board of IAL believes that, based on its size and geographical spread of operations, it possesses the right balance. The current Directors possess the appropriate skills, knowledge, independence and experience in core and other business sectors and for both local and international markets, to enable them to discharge their duties and responsibilities effectively. The Board is of the view that its current size and composition allows it to meet its business requirements. Diversity is further enhanced by the non-resident Directors.

The Company's Board complies with Section 30 (2) of the Insurance Act 2005 which states that an insurance company's board of directors should be composed of no less than 7 people of which 30% should be independent non-executive directors.

Board of Directors

Director's Name	Role	Date Appointed
Ian Chambers	Chairman and Independent Non-Executive Director	2 December 2015
George Allen	Independent Non-Executive Director, KGO & BCC	2 December 2015
Olivier Bernard	Non-Executive Director, KGO & BCC	28 April 2017
Bernard Futter	Executive Director & KGO	2 December 2015
David O'Connor	Non-Executive Director	2 December 2015
Phillip Pettersen	Independent Non-Executive Director, KGO & BCC	2 December 2015
Charles Robinson	Non-Executive Director	2 December 2015
Richard Robinson	Executive Director	2 December 2015
Peter Thompson	Independent Non-Executive Director, KGO & BCC	30 June 2020

*KGO (Key Governance Officer), BCC (Board Committee Chairman)

Board Meetings

The Board meets at least four times a year in Mauritius. Additional meetings may be convened to discuss specific issues which arise between scheduled Board meetings. No additional meetings of the Board were convened during the year under review. All Board meetings are convened by formal notice.

Board Meetings (continued)

Supporting documentation in the form of agendas, minutes of previous meetings and reports are distributed to Directors prior to Board meetings to allow for adequate preparation, and to facilitate more relevant discussion at these meetings.

Three Directors constitute a quorum at Board meetings. Decisions taken at Board meetings are decided by a majority of votes, with each Director having one vote. Specific issues which arise between Board meetings are dealt with by electronic communication and where decisions are taken, these are recorded by written resolution, requiring approval by all the Directors to be valid.

In addition to quarterly Board meetings, an annual two-day strategy planning conference is held and attended by all Board members and senior management. The IAL strategic planning conference reviews and approves the Company's strategic plan for the year ahead.

Attendance of Board Meetings and Board Committee Meetings

Name of Officer	**Board Meetings**	**Corporate Governance Committee**	**Audit Committee**	**Risk Management Committee**
Olivier Bernard – Chairman	4/4	na	3/5	na
George Allen	4/4	4/4	na	6/6
Ian Chambers	4/4	na	5/5	4/6
Bernard Futter	4/4	4/4	5/5	6/6
Dave O' Connor	0/4	na	na	na
Phillip Pettersen	4/4	4/4	4/5	na
Charles Robinson	4/4	na	na	na
Richard Robinson	4/4	na	na	na
Peter Thompson	4/4	na	na	6/6

Directors' Profiles

Ian Chambers – Chairman and Independent Non-Executive Director

Mr Ian Chambers is a tax expert. Ian's career spans the public and private sectors, and his experience covers the areas of taxation, exchange control, international tax law, VAT, and income tax.

Ian began his career at the Law Interpretation Division of the Commissioner for Inland Revenue (now the South African Revenue Service) before moving into the private sector where he worked as a consultant for Fisher Hoffman Stride Chartered Accountants, served as a Director of Fisher Hoffman Stride Consulting (Pty) Limited and as Managing Director of Fisher Hoffman Stride Personal Financial Planning (Ply) Limited. Ian has also worked at Credit Agricole lndosuez, South Africa where he headed the Project Finance and Structured Finance divisions.

Ian has extensive experience in public and private sectors organisations and through his own businesses - Chambers Pinet, a business specialising in tax, assurance and insurance and Chambers Consulting, a tax consulting specialist practice.

Ian has a B Com (University of Natal, South Africa) and an H Dip Tax Law (University of the Witwatersrand, South Africa). He is a Fellow of the Institute of Life and Pension Advisors and a Certified Financial Planner.

Ian is resident in Mauritius.

George Allen – Independent Non-Executive Director

Mr George Allen is a financial services and insurance expert. He began his career in underwriting at Mercantile & General and his experience in financial services includes new business administration, underwriting (where he developed an automated underwriting process), micro assurance and reinsurance. He has held senior positions at Charter Life, Standard Life, Munich Reinsurance and recently with the Hollard Group where he was Head of Group Risk - International.

Directors' Profiles (continued)

George Allen – Independent Non-Executive Director (continued)

George has a BA Physical Education (Rhodes University, South Africa), a BSc Med (Hons) (University of Cape Town,) and an MBA (De Montfort University, England).

He is a Fellow of the Insurance Institute of South Africa, an Associate Underwriter in South Africa, and is registered with the South African Financial Services Board as a fit and proper candidate having successfully completed the regulatory examinations for Key Individuals.

George is resident in South Africa.

Olivier Bernard – Non-Executive Director

Olivier Bernard is the Group Deputy CEO of MedservRegis PLC, a one stop solution for providing shore base logistics, supply chain management and engineering services to the offshore oil and gas industry. MedservRegis is listed on the Malta Stock Exchange. Olivier is a French national who studied Business and Finance in Neoma, France (previously known as Reims Management School). He has extensive experience with leading companies in the Oilfield Service Industry throughout Europe and Africa.

Olivier has assumed various positions from negotiating financing with international banks to implementing SAP and, ultimately in General Management. He was a key member of the team developing the biggest onshore support base in sub–Saharan Africa (Luanda, Angola), with a total investment of over 1 billion US dollars. During this time, Olivier's main management roles were within Finance and Contracts.

Olivier is resident in Malta.

Bernard Futter – Executive Director

Mr Bernard Futter is the Chief Executive Officer of AssetHouse Limited, an independent investment management and financial advisory business based in Mauritius. Bernard has considerable experience in the investment management, group benefit schemes, marketing, and private client arenas. He has spent most of his career in wealth management, investment and asset management, insurance broking and stockbroking.

Bernard was one of the founders of Incorporated Securities, an investment advisory and asset management business, where he held the position of Managing Director. He is a Director of New York and Dublin based Belmont Investments, an alternative investment strategy fund manager.

Bernard holds a Diploma in Business Administration and is registered with the South African Financial Services Board as a fit and proper candidate having successfully completed the regulatory examinations for Key Individuals. Bernard is a member of the Mauritius Institute of Directors.

Bernard is resident in Mauritius.

David O' Connor – Non-Executive Director

Mr David O' Connor is the Group Chief Executive Officer MedservRegis PLC in Malta, a one stop solution for providing shore base logistics, supply chain management and engineering services to the offshore oil and gas industry. MedservRegis is listed on the Malta Stock Exchange. He started Regis Trading International (Pty) Ltd in 1992. MedservRegis is a holding company for various entities involved mainly in oil and gas industry in Africa, Australia, South America, the Mediterranean and the Middle East.

David is resident in Malta.

Directors' Profiles (continued)

Phillip Pettersen – Independent Non-Executive Director

Mr Phillip Pettersen is an insurance and risk management professional who has been in the profession for 47 years. During this period, he has held many senior positions within the financial services sector, both in South Africa and internationally. His experience encompasses the underwriting, broking, and governance disciplines.

Phillip began his career in the financial services environment and in 1986 joined the Alexander Forbes Group, where he served as Managing Director of Forbes Re, as well as on several Alexander Forbes Group's Boards. His international experience started in 1998 includes senior positions as a Lloyds broker in the United Kingdom. He also served as Head of Alternative Transfer Solutions a reinsurer in Switzerland and Managing Director of a Big 5 Reinsurance Broker. Today Phillip is a professional Chartered Director serving on a number of boards in Bermuda, Mauritius and South Africa as the Chair and or Lead Independent or as an independent director.

Phillip is a Fellow of the Chartered Insurance Institute United Kingdom and Insurance Institute South Africa. Furthermore, he holds the title Chartered Risk Manager. Phillip was also elected as Fellow of the South African Risk Management Society. In 2017, he became a Chartered Director (SA) of the Institute of Directors (IOD) (SA) and holds an Institute of Director's fellowship from the IOD (UK). Phillip is a fellow of the Mauritius Institute of Directors. Phillip is also registered with the South African Financial Services Board as a fit and proper candidate having successfully completed the regulatory examinations for Key Individuals and that of a licensed representative to provide advice in non-life insurance.

Phillip is resident in South Africa.

Charles Robinson – Non-Executive Director

Mr Charles Robinson is head of AssetHouse's operations in Africa and is based in Durban, South Africa. Charles has more than twenty years of experience in financial services and international IFA networks. He started his career at Barclays Bank and then joined Appleton where he was appointed as the Director of Broker Services. Thereafter Charles went on to further develop his financial services credentials at Royal Skandia, Finanzplan and Scottish Life International (now RL 360).

Charles obtained his South African Financial Services Board FSP licence in 2006, and has completed several courses, including the International Capital markets exam. He is registered with the South African Financial Services Board as a fit and proper candidate having successfully completed the regulatory examinations for Key Individuals. Charles is also a certified director by the Institute of Directors in South Africa.

Charles is resident in South Africa.

Richard Robinson – Executive Director

Mr Richard Robinson began his financial career in 1994 with The Appleton Group as an Investment Manager and later became a Director of Appleton Investment Services. Richard specialised in offshore investments and insurance-based products primarily domiciled in the Channel Islands.

In 2003 Richard co-founded AssetHouse Limited in Mauritius. He is a founder member and former President of the South African Chamber of Commerce in Mauritius and in July 2015 was appointed to the Investment Committee for all the Unit Trusts under the management of SBM Mauritius Asset Managers Ltd. In 2019 Richard was elected as a member of the Mauritius Stock Exchange Listing Committee.

Richard holds a B Com degree (Rhodes University, South Africa) and is a Certified Financial Planner. He is registered with the South African Financial Services Board as a fit and proper candidate having successfully completed the regulatory examinations for Key Individuals. Richard is a member of the Mauritius Institute of Directors.

Richard is resident in Mauritius.

Directors' Profiles (continued)

Peter Thompson – Independent Non-Executive Director

Mr Peter Thompson joined the Liberty Group (South Africa) in 1985. Liberty is a Pan-African financial services company offering asset management, investment, insurance, and health products to more than 2,5 million clients with assets under management of USD 43 billion and properties that cover 1,1 million square meters. At Liberty he held a number of positions in the computer and actuarial departments before taking on a management role in systems and administration and, prior to leaving in 2007, held the position of Divisional Director responsible for combining all platforms onto one system.

Peter then moved to Discovery Life (South Africa). The Company provides insurance products, investment products, financial services, and wellness products with an embedded value of approximately USD 3.2 billion and covers more than 8 million lives. The Company operates in South Africa, the United Kingdom, China, Singapore, Australia, and the United States. It serves large, medium, and small sized employers, and individual clients. At Discovery Peter was responsible for all front office and back-office operations as well as systems for both Discovery Invest (2007-2012) as well as the then called Pruprotect (2012-2015).

Peter then moved to the United Kingdom to join Discovery's Vitality (2016-2020). He held the position of Systems Implementation Executive and was responsible for the program management of the new platform used by Vitality Invest. On completion of the United Kingdom assignment, Peter has been appointed as Managing Director of a United Kingdom based company called Only Pets Cover Limited which provides pet insurance to UK based dogs and cats.

Peter has a BSc Computer Science from Rhodes University (South Africa) and is an Associate of the Faculty of Actuaries.

Peter is resident in the United Kingdom.

Board Committees

The Board has, for assistance in its functions, established a Corporate Governance Committee, an Audit, and a separate and independent Risk Management Committee, each of which has a Charter with formal terms of reference approved by the Board of Directors. These committees will report regularly to the Board and make recommendations for approval.

To fulfil the duties and responsibilities vested with each of the sub-committees, the Board Committees are authorised to obtain, at IAL's expense, professional advice both within and outside the Company.

The Company's Compliance Officer acts as secretary to the Board Committees. The minutes of each Board Committee meeting are submitted for consideration and approval at the following meeting and are then signed by the Chairman of the Board Committee and the Company's Compliance Officer. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of such Board Committee.

Committee charters are reviewed annually by the Board.

Corporate Governance Committee

The Corporate Governance Committee comprises a minimum of three Directors of whom at least two must be Independent Directors including the Chairman. The Corporate Governance Committee operates under a Charter and the terms of reference set by the Board of Directors. The Board has also decided that this Committee acts as the Nomination and Remuneration Committees.

The mandate of the Corporate Governance Committee is to assist the Board in fulfilling its responsibilities towards the application of the principles of good corporate governance and to ensure that the Company follows prevailing corporate governance practices.

Corporate Governance Committee (continued)

In its role as Nomination Committee, the Corporate Governance Committee is responsible for reviewing the structure, size, and composition of the Board of Directors and to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company. It is also responsible for making recommendations thereof on matters relating to the appointment of Directors, succession planning for Directors and the assessment of the independence of the Independent Non-Executive Directors.

A quorum of two members is currently required for a Corporate Governance Committee meeting. Decisions may also be taken by way of resolutions in writing, agreed and signed by all members of the Committee then entitled to receive notice of the meeting.

The composition of the Corporate Governance Committee is as follows:
Mr Phillip Pettersen (Chairman)
Mr George Allen
Mr Bernard Futter

The Corporate Governance Nomination Committee is responsible for selecting and nominating new Directors. All new potential Board members are first considered for suitability and independence (if applicable) and thereafter, reviewed against objective criteria which include skills, knowledge, experience, and ability to contribute to the Board's effectiveness). The selected candidate is then recommended by the Corporate Governance Nomination Committee, before being brought up to the Board to consider the candidate's approval.

Potential candidates for casual vacancies are sourced with recommendations from Directors, or the Shareholders. The Corporate Governance Nomination Committee then evaluates the suitability of potential candidates for the position, taking into account, inter alia, the candidate's age, gender, skills, knowledge, experience and ability to contribute to the Company's effectiveness.

Audit Committee

The Audit Committee comprises a minimum of three Directors of whom two are Independent Directors including the Chairman. The Audit Committee operates under the terms of reference set by the Board and under a formally approved Audit Committee Charter, modelled closely with the provisions of the Code. The Committee meets at least once each quarter and reports on its activities to the Board.
The Audit Committee has the following distinct responsibilities:

- To oversee that management has established effective systems of internal controls.
- To report to the Board on decisions taken, including approval of the annual financial statements.
- To make recommendations to the Board regarding the nomination of external auditors.
- To discuss audit procedures, including the proposed scope and results and findings of procedures performed by external auditors.
- To ensure that the external auditor's findings are adequately addressed.
- To receive feedback from the internal auditor.
- To create the environment and the structures for risk management to operate effectively.

In performing its functions, the Audit Committee meets with the external auditors, and reviews the audit plans and overall scope of the external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the Audit Committee also meets separately with the external auditors whereby any issues may be raised directly to the Audit Committee, without the presence of management. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has discussed with the external auditors and management the matters of significance which are included in the external auditor's report. The Audit Committee is satisfied that these matters have been appropriately addressed.

Audit Committee (continued)

The Audit Committee met five times during the year and has considered the following:

- Approval of the financial statements as of 31 December 2021.
- Approval of the actuarial valuation as of 31 December 2021.
- Approval of the results for Q1, Q2 and Q3.
- Review and approval of the budget for 2022.
- Audit Plan for 2022 and 2023.
- Taken cognisance of the external auditor's report.
- Review and approval of the Internal Auditors Report for 2021.

The composition of the Audit Committee is as follows:
Mr Olivier Bernard (Chairman)
Mr Ian Chambers
Mr Bernard Futter
Mr Phillip Pettersen

Internal Audit

Internal audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance. The function provides the Board with a report of its findings and recommendations for each audit it performs, as well as the comments of the management of the audited function which, along with other sources of assurance, is used by the Board in making its assessment of the Company's system of internal controls and risk management.

IAL has outsourced the internal audit function of the Company for the financial year to Lancasters Chartered Accountants. Internal audit operates within a defined authority granted to it by the Audit Committee and the Board and reports to the Audit Committee.

Annual audit plans are prepared in advance by the Committee and are based on an assessment of risk areas based on discussions with management and its own independent appreciation of the key risks the Company is exposed to. The internal audit plans typically assess the effectiveness of controls that address the high-risk areas within the business and others that may be deemed significant from a financial perspective. Examples of such risk areas would include insurance, investments, credit & financial, operations, business & strategy and reputation.

Risk Management Committee

The Risk Management Committee comprises a minimum of three Directors of whom two are Independent Directors including the Chairman. The Risk Management Committee operates under the terms of reference set by the Board and under a formally approved Risk Management Committee Charter, modelled closely with the provisions of the Code. The Committee meets at least two times each year and reports on its activities to the Board.

IAL has in place processes for identifying, classifying, and managing significant risks. The effectiveness of the internal control systems is reviewed by the Risk Management Committee and provides the Board with reasonable assurance that the assets are safeguarded, that operations are carried out effectively and efficiently, that the financial controls are reliable and comply with applicable laws and regulations.

At IAL, risk management is a part of doing business – it is a responsibility of the management team to establish and maintain a risk management system. Risk management falls under the supervision of the Risk Management Committee and subsequently the Board of Directors of IAL.

The Risk Management Committee together with the Company's Risk Officer and management team, identifies potential risks to the Company's business, and conducts a rating of the identified risks with respect to both probabilities of occurrence and severity of impact. This team then develops strategies and action plans to manage and mitigate the identified risks. A review process enables reassessment of the probability and severity of risks as well as the effectiveness of implemented mitigating actions.

Risk Management Committee (continued)

Among the risk areas identified and control procedures put in place, are the following:

- Insurance risk including pricing, policyholder behaviour, reinsurance, underwriting, claims and catastrophe risks.
- Investment risk including financial markets, forex, interest rates, liquidity, instrument default and instrument concentration risks.
- Credit and financial risk including reinsurer credit risk, custodian credit risk, bank credit risk, loans & receivables, liquidity and cash flow risks.
- Operational risk including processes & controls, systems, people, product design and fraud risks.
- Business and strategic risk Business plan, capital structure, governance, risk tolerance and product pricing risks.
- Reputational risk including values & principles, code of conduct, acts & omissions and regulation & compliance risks.
- Controlled through a Risk Management Framework which includes:
  - Risk Appetite Statement
  - Risk Tolerance Statement
  - Risk Management Strategy
  - Own Risk and Self-Assessment Model (ORSA)
  - Appointing a Chief Risk Officer

The composition of the Risk Committee is as follows:
Mr George Allen (Chairman)
Mr Ian Chambers
Mr Bernard Futter
Mr Peter Thompson
Senior staff responsible for risk management within the Company

Investment Sub-Committee

The Investment Sub-Committee comprises a minimum of two Directors and members of staff. The Sub-Committee operates under the terms of reference set by the Board and the Risk Management. The Sub-Committee meets at least once each quarter and reports on its activities to the Risk Management Committee and the Board Committee

The Sub-Committee must assess the risks of the instruments within its policyholders' portfolios at least quarterly. A regular review process is to be implemented to help the Sub-Committee develop an understanding of portfolio risks from asset class to operational risks that exist in the portfolios. Counterparty risk must also be reviewed and should recognise the extent to which the instruments' investments deal with counterparties. The Sub-Committee must assess the creditworthiness of the fund managers, the investments and counterparties and understand the complex legal relationships that exist between these parties.

The Sub-Committee must also review costs associated with the portfolios. Because costs diminish a portfolios net return, it is always important to keep a close eye on fees and expenses. A regular cost review includes custodian, administrator, auditing, legal, commissions, rebates and asset management fees.

Relevant regulatory changes will be monitored by the Sub-Committee. Periodic regulatory changes may impact the administration of the policyholders' portfolios, and therefore, such changes are important to bring up for Sub-Committee discussion.

The composition of the Investment Sub-Committee is as follows:
Mr Bernard Futter (Chairman)
Mr Charles Robinson
Mr Richard Robinson
Senior staff responsible for investment administration within the Company

IT Governance Sub-Committee

The IT Governance Sub-Committee comprises a minimum of two Directors and members of staff. The Sub-Committee operates under the terms of reference set by the Board and the Risk Management Committee. The Sub-Committee meets at least once each quarter and reports on its activities to the Risk Management Committee and the Board.

The Sub-Committee is responsible for information governance within IAL as delegated by the Risk Management Committee.

Responsibilities:

- The Sub-Committee assumes the responsibility for the governance of IT and places it on the Board agenda.
- The Sub-Committee ensures that the Company's IT governance charter and policies are established, implemented, and reviewed.
- The Sub-Committee ensures the promotion of an ethical IT governance culture and awareness and of a common IT language within the Company.
- The Sub-Committee ensures that an IT internal control framework is adopted, implemented and reviewed.
- The Sub-Committee receives independent assurance on the effectiveness of the IT internal controls.
- The Sub-Committee ensures that the IT strategy is integrated with the Company's strategic and business processes.
- The Sub-Committee ensures that there is a process in place to identify and exploit opportunities to improve the performance and sustainability of the Company through the use of IT.

IAL's Information Technology policies include the following:

- Acceptable use: The purpose of this policy is to ensure that employees, contractors and third parties are aware of the appropriate and acceptable use of assets.
- E-mail: The objective of this policy is to outline appropriate and inappropriate use of e-mail systems and services to minimise disruptions to services and activities, as well as comply with applicable policies and laws.
- Internet use: The objective of this policy is to outline appropriate and inappropriate use of Internet resources, including the World Wide Web, electronic mail, the intranet and instant messaging services.
- System administrator: The purpose of this policy is to establish the expectations for employees who have administrative and privileged access rights to the Company's IT systems and confidential Information.
- Remote access: The purpose of this policy is to define standards for connecting to IAL's network from any host outside of the Company's offices. The standards are designed to minimise the potential exposure to IAL from damages which may result from unauthorised use of IAL's resources. Damages include the loss of sensitive or Company confidential data, intellectual property, damage to public image, damage to critical IAL internal systems, and fines or other financial liabilities incurred as a result of those losses.
- Information security: The objective of this policy is to a) ensure the business continuity of IAL by protecting its information assets from potential threats, whether internal or external, deliberate, environmental or accidental and, b) to minimise the risk of damage by preventing security incidents and reducing their potential impact.
- Back-up: The objective of this policy is to protect against loss of data, maintain the integrity and availability of information and information processing facilities by taking and testing regularly back-up copies of information and software.
- Network security: The objective of this policy is to ensure the protection of information in networks and the protection of the supporting infrastructure.
- Password protection: The objective of this policy is to set a standard for creating, protecting and changing passwords in order to ensure that they are strong, secure and protected.

IT Governance Sub-Committee (continued)

- Compliance: The objective of the Compliance policy is to avoid breaches of any law, statutory, regulatory or contractual obligations and of any security requirements. It is also to ensure compliance of systems with organisational security policies and standards.
- Business continuity: The objective of this policy is to ensure that an IT business continuity plan is developed, documented, continuously tested, reviewed, and updated in order to enable the Company to recover as quickly and effectively as possible from any unforeseen disaster or emergency with minimised business interruptions.
- Cyber Insurance is used to offset or mitigate the company's exposure.

Day-to-day IT governance and security issues are delegated to senior management while the IT security risk management is overseen by the IT Governance Sub-Committee. IAL considers information to be a strategic asset. The Company's IT systems provide the platform on which the organisation does business and, combined with technology and data, constitute a source of future business opportunities. IT and digital technology represent a growing source of competitive advantage to enhance IAL's intellectual capital.

IAL relies on standardised processes and controls to extract and exploit information for decision-making and to maintain data quality at an acceptable level. IT governance drives accountability, responsibility, and the effective management of business information across the Company.

The composition of the IT Governance Sub-Committee is as follows:
Mr Peter Thompson (Chairman)
Mr Bernard Futter
Senior staff responsible for IT systems within the Company

Principle 3: Director Appointment Procedures

There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.

Appointment of Directors

The Board charter recognises the Board's responsibility to be transparent in the appointment of directors to the Board. The Nominations Committee reviews the composition of the Board on a continuous basis to ensure that the appropriate level of skills and experience in key areas such as strategy, industry knowledge, finance, human resources, corporate governance, risk management and sustainability are present.

Directors' Induction, Development and Orientation

Any newly appointed Directors will participate in an orientation program and would be apprised of the functioning of the Board, Board Committees, their duties and responsibilities as Directors, the relevant laws, rules and regulations pertaining to IAL and the nature of activities and operations of IAL. They would also be provided with opportunities to meet with senior management to discuss key operational, financial, legal and environmental topics relevant to IAL's business and operations. The Directors are also kept abreast of applicable legislation and regulations, changes to rules, standards and codes, as well as relevant developments that could affect the Company and its operations.

Ongoing support and resources are provided to Board members as required, to enable them to extend and refresh their skills, knowledge and understanding of the Company.

Company Secretary

This role is fulfilled by Mauritius International Trust Company Limited ("MITCO") who were appointed on 18 April 2017. IAL's Company Secretary works to ensure that Board procedures and relevant legislation and regulation is observed and is responsible for distributing meeting agendas and minutes. The Company Secretary also provides guidance to Directors on governance, compliance and fiduciary responsibilities and is the custodian of all IAL's statutory records.

The Board is of the opinion that the Company Secretary suitably fulfils the role as MITCO possesses the requisite competence, knowledge and experience to carry out the duties of a secretary of a financial services company. The Company Secretary is not a Director within IAL and is suitably independent of the Board to be an effective steward of IAL's corporate governance framework.

Principle 4: Director Duties, Remuneration and Performance

Directors should be aware of their legal duties. directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information strategy, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.

Directors' Duties

The Directors of the IAL are aware of their legal duties and responsibilities. Directors are expected to:

- Act in good faith and in the best interest of the Company.
- Carry out their duties competently and diligently in an honest manner.
- Observe the highest degree of confidentiality.
- Avoid situations of conflict of interest, and where such situations arise, disclose same and adhere to all procedures for dealing with it.
- Consistently attend board meetings and devote sufficient time to the organisation's business.
- Deal with shares of the company in strict compliance of all relevant laws.
- Abstain from taking improper advantage of their position for personal gain.
- Abide by all directors' obligations imposed by all legislation.

<u>The Chairman</u>

The Chairman is responsible for the leadership and governance of the Board, ensuring its smooth and effective running in discharging its responsibilities to IAL's stakeholders and managing Board business:

- Responsible for setting the Board agenda, ensuring the right issues are brought to the Board's attention through collaboration with the Executive Directors and the Company Secretary.
- Facilitating open, honest, and constructive debate among Directors. When chairing meetings, ensuring there is sufficient time to consider all topics, all views are heard and all Board members, and in particular Non-executive Directors, have an opportunity to constructively challenge management.
- Meeting with Non-executive Directors without Executive Directors being present.
- Ensuring information brought to the Board is accurate, clear, timely and contains sufficient analysis appropriate to the scale and nature of the decisions to be made.
- Promoting effective reporting of Board Committee business at Board meetings through regular Committee Chair updates.
- Considering the development needs of the Directors so that Directors continually update their skills and knowledge required to fulfil their duties, including the provision of a comprehensive induction for new Directors.
- Leading the Board's determination of appropriate corporate governance and business values, including ethos, values and culture at Board level and throughout the Company.

Committee Chairs

Each of the Committee Chairs is responsible for the effective operation of their respective Committees:

- Responsible for the leadership and governance of their committee.
- Sets the agenda for Committee meetings.
- Reports to the Board on the activities of each Committee meeting and the business considered, including, where appropriate, seeking Board approval for actions in accordance with the Committees' terms of reference.
- Works with the Company Secretary to ensure the continued good governance of each Committee meeting during the year.

Non-Executive Directors

All of the Non-Executive Directors have a wide range of experience which can be applied to attain the strategic aims of the Company through:

- Constructive and effective challenge.
- Providing strategic guidance and offering specialist advice.
- Scrutinising and holding to account the performance of management in meeting agreed goals and objectives.
- Serving on at least one of the Board's principal Committees.
- Engaging with Executive Directors and other senior management at Board and Committee meetings as well as at site visits, training sessions and on an informal basis.
- Taking part in the annual strategic planning conference.

Code of Ethics and Professional Responsibility

IAL's Code of Ethics and Professional Responsibility (www.international-assurance.com/about-us) has been reviewed and approved by the Board of Directors. The Code of Ethics and Professional Responsibility commits the Company to the highest standards of integrity and ethical conduct in dealing with all stakeholders. The Company firmly believes in values such as honesty, respect, fairness, steadiness and courtesy. IAL insists, as policy, that its business operations comply with the general law, and with all rules and regulations applicable to their particular areas of activity. The purpose of the IAL Code of Ethics and Professional Responsibility is to set the ethics standards for business practice and individual business conduct within the Company. It seeks to assist, guide and direct all stakeholders with ethics deliberations, choices, decisions and conduct. A copy of IAL's Code of Ethics and Professional Responsibility can be found on the Company's website at www.international-assurance.com.

Code of Business Conduct

The Company subscribes fully, amongst others, to the Code of Business Conduct. The Board and staff of IAL endeavour at all times to uphold the highest standards of conduct and international best practice in its activities. IAL's objectives are to ensure sound conduct of business in the financial services sector in which it operates, instil confidence in its clients and partners, establish standards in order to preserve and maintain the good reputation of Mauritius as an international financial centre, and ensure fair treatment of customers and the public in general. The Board has the vision and the drive to instil a full-compliance culture and an ethics-driven outlook throughout the organisation.

Conflicts of Interest

IAL's Conflicts of Interest policy (www.international-assurance.com/about-us) ensures that any conflicts of interests are disclosed by Directors as soon as they become aware that they are interested in a transaction. All interests, as disclosed by the Directors, are recorded in an Interest Register and updated at every board meeting. Conflicts of interest and related party transactions have been conducted in strict compliance with applicable legislations and the IAL Code of Ethics and Professional Responsibility.

Remuneration Policy

The remuneration philosophy of IAL is based on transparency, merit and performance. Remuneration of the Directors is determined by the Corporate Governance Committee and takes into consideration the market conditions, benchmarking in the industry and the Company's results.

Messrs Olivier Bernard, Ian Chambers, Phillip Pettersen, George Allen and Peter Thompson are the only Directors who are remunerated and IAL confirms that they, as Non-Executive Directors of the Company, have not received remuneration in the form of share options or bonuses associated with IAL's performance.

The Board is also responsible for the remuneration policy of the Company's staff and duties are delegated to the management team. The Remuneration policy aims to:

- Support the delivery of the Company's strategic vision.
- Ensure remuneration is competitive for our markets to enable IAL attract and retain talent.
- Ensure that pay levels are internally consistent and externally competitive.
- Reward employees according to their market value, performance, and contribution.
- Ensure that the remuneration package promotes a high-performance culture and is affordable.
- Ensure fair outcomes for our staff, shareholders, and customers.

Annual Evaluation of the Board and Board Committees

Board evaluation enables the Board to purposefully identify and surmount the barriers that may impede its effectiveness. Board evaluation and self-assessment by the Directors allows the Board members to better understand their own roles and responsibilities and how they can more effectively fulfill their duties and obligations.

The Code of Corporate Governance require that the Board develops an appropriate mechanism for the annual review/evaluation of its performance, its committees and individual Directors. A self-evaluation questionnaire has been designed to evaluate the performance of the Board, Board Committees, and individual Directors. Appropriate measures are taken from this exercise to refine the questionnaire, governance structure and responsibilities based on feedback and comments received from the Directors.

Principle 5: Risk Governance and Internal Control

The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.

Risk Management Introduction

IAL faces a broad range of risks reflecting its responsibilities as a Mauritian insurance business. These risks include those resulting from its responsibilities in the areas of financial stability as well as its day-to-day operational activities.

The risks arising from the Company's product offerings can be significant. These risks are managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff and public accountability.

Financially, the Company is committed to maintain a level of capital sufficient for a long-term insurance business to accommodate any unexpected losses, both under normal and adverse conditions, and to be perceived as a robust and sound company.

Moreover, IAL commits to deliver to its shareholders an acceptable return for the risks undertaken, and to maintain a stable financing structure and adequate liquidity to meet its financial obligations, ensuring a "going concern" even under stressed scenarios.

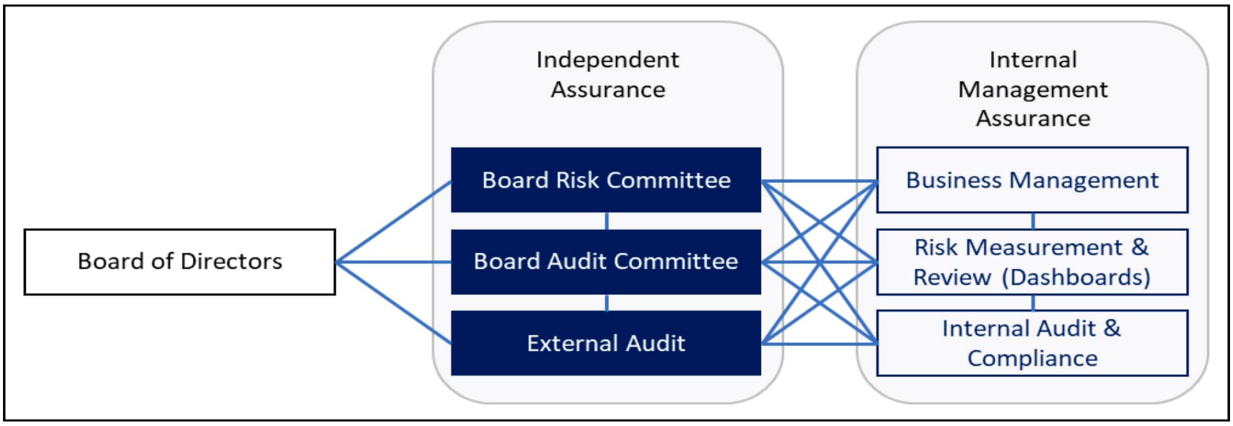
In terms of operational issues, the Company has a low appetite for risk. IAL makes resources available to control operational risks to acceptable levels. The Company recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. Acceptance of some risk is often necessary to foster innovation and efficiencies within business practices.

The Risk Management Framework

IAL's risk management framework seeks to ensure that there are effective processes in place to manage risks across the business. Risk management is integral to all aspects of the Company's activities and is the responsibility of all staff. Managers have a particular responsibility to evaluate their risk environment, to put in place appropriate controls and to monitor the effectiveness of those controls. The risk management culture emphasises careful analysis and management of risk in all business processes.

These risks are identified, assessed and managed at both a Company level (top-down and cellular or product level (bottom-up). The Risk Management Committee has oversight of these processes. This Committee meets at least four times a year and reports on its activities to both the Board and the Audit Committee.

Risk Governance Structure



Underpinning the Company's risk culture is a risk governance structure that encompasses its principal business operations and risk areas and defines a framework of risk sub-committees, risk reporting and risk controls embedded throughout the business.

The current risk governance structure provides an oversight and decision-making framework within which material risks are continually identified, assessed, controlled, managed, and monitored utilising outputs from the Own Risk and Solvency Assessment ("ORSA") tests where appropriate.

Risk Management and Internal Controls

The Board is responsible for overseeing the Company's risk management and internal control systems, for which Management is responsible. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, and not absolute, assurance against material financial misstatement or loss. There are two committees at the Board level that have primary risk management and internal control oversight responsibilities:

- Risk Management Committee – with oversight over risk management, internal audit and internal control matters.
- Audit Committee – with oversight over internal/external audit and internal control matters.

Management is responsible to maintain appropriate controls in place and to appropriately identify and address risks. The senior management team meet frequently with risk management and other functions to ensure an effective system of risk identification and mitigation and maintenance of sound internal controls. The results of such reviews are reported to the Risk Management and Audit Committees as well as the Board, as appropriate.

The Company has adopted a coordinated and formalised approach to risk management and internal control. The Company's core risk management and internal control systems and policies are established at the Company level with Company-wide implementation. This approach focuses on major risks that might impact the achievement of the Company's business objectives and on the activities to control and monitor these risks, which contributes to control effectiveness. A risk-aware and control-conscious environment is fostered in the Company and reinforced by communication and training.

Risk Management and Internal Controls (continued)

Effectively managing risks is core to managing the business. Management is responsible for the identification, evaluation and management of significant risks. The Company manages risks throughout the organisation, under direction of the senior management. IAL has Company-wide risk management policies, as well as methods and tools for assessing risks. The Company risk assessment processes are aligned with the Company planning process and are reviewed by the Risk Management Committee. Significant risks, the results of the assessment processes and the relevant actions arising are reported regularly to the Risk Management Committee.

The internal control system focuses on key financial reporting, operational and compliance controls. The system encompasses the policies, processes and activities that contribute to the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with laws and regulations.

The Company's annual business plan includes risk management considerations, as well as strategic and business direction, financial information and key indicators. During the year, the Board, the Audit and Risk Management Committees and senior management receive regular reports summarising financial condition, financial and operating performance, as compared to budgeted figures, and key risk exposures.

Processes and controls in the organisation are subject to risk-based reviews by Management and the Risk Management Committee. Reviews include the effective implementation of policies and procedures including new applications, claims, investments, surrenders, underwriting, accounting and reporting, as well as effectiveness of control for significant operations and information technology systems. The Board, the Audit and Risk Management Committees receive regular and, as needed, reports from the Risk Officer, Head of Compliance and Finance as well as senior management. In addition, the external auditors regularly report their conclusions, observations and recommendations arising from their independent audit process.

The reports relate to matters such as:

- Significant changes in risks, the business and the external environment.
- Management's monitoring of risks and the effectiveness of control systems.
- Risk and control monitoring communications.
- Significant control issues, if any.
- The effectiveness of the Company's external reporting process.

Risk Categories

IAL is exposed to a variety of risks through its life insurance and linked long-term insurance business (contracts of insurance linked to the value of investments) activities, including insurance, investment, credit and financial, operational, business and strategic and reputational risks.

As a financial services provider, the Company considers diversification across different business segments and regions to be a key element in managing its risks efficiently, limiting the economic impact of any single event and contributing to relatively stable results.

IAL's aim is to maintain a low risk profile and avoid any disproportionately large risk concentrations and accumulations. With the Insurance (Risk Management) Rules 2016 being the regulatory regime relevant for the Company since 1 July 2017, the Company's risk profile is measured and steered based on our approved Risk Appetite Statement and Risk Tolerence Levels. IAL has also introduced a target solvency ratio, well in excess of the statutory requirements, based on pre-defined shock scenarios supplemented by ad-hoc scenarios based on historical events and economic forecasts.

<u>Insurance Risks (Life and Health)</u>

In line with IAL's low risk appetite, the Company reinsures 100% of all its mortality, disability, morbidity risks however, financial risks in our life insurance operations may arise from the mortality, disability, morbidity and longevity risks inherent in our policyholder client base.

Risk Categories (continued)

Insurance Risks (Life and Health) (continued)
Mortality, disability, and morbidity risks are associated with the unexpected increase in the occurrence of death, disability, or medical claims. Longevity risk is the risk that the reserves covering whole of life products might not be sufficient due to longer life expectancies of the insured.

Financial risks in the Company's life insurance operations may arise from profitability being lower than expected. As profitability calculations are based on several parameters – such as historical information and assumptions on inflation and longevity – realised parameters may differ from the ones used for product pricing.

Investment Risk (Financial Markets)
As an inherent part of IAL's linked long-term insurance operations, the Company collects premiums from its policyholders and invests them, as instructed by the policyholders, in a wide variety of assets (equities, bonds, cash, property, etc). The resulting investment portfolios back the future claims and benefits to IAL's policyholders. As the fair values of the Company's policyholders'investment portfolios and liabilities depend on changes on the financial markets, so too is IAL's linked fee income also exposed to adverse changes in equity and property prices, interest rates, inflation and currency fluctuations.

To mitigate these risks, guidelines are provided by the Company's Investment Committee regarding certain asset classes and investments, new investment products, and the use of derivatives by policyholders. Compliance with these guidelines is controlled by the respective risk and controlling functions.

In addition, the Company invests shareholders' capital, which is required to support the business, in very low risk money market funds.

Credit and Financial Risk
Credit risk is measured as the potential economic loss in the value of IAL's capital and its policyholders' assets that would result from either changes in the credit quality of the Company's counterparties (migration risk) or the inability or unwillingness of a counterparty to fulfill contractual obligations (default risk).

The Company's credit risk profile comes from four sources: IAL's capital custodians, the policyholder's investment portfolio custodians, IAL's bankers and external reinsurers.

IAL assigns mitigating probability ratings to each obligor via an internal rating approach. It is based on long-term ratings from rating agencies, which which dynamically adjusted using market-implied ratings and the most recent qualitative information available.

Reinsurance credit risk arises from potential losses from non-recoverability of reinsurance receivables or due to default on benefits under in-force reinsurance treaties. The Company's reinsurance partners are carefully selected by a dedicated team focusing on companies with strong credit profiles to further mitigate IAL's exposure to credit risk.

Operational Risk
Operational risks represent losses resulting from inadequate or failed internal processes, human errors, system failures, and external events, and can stem from a wide variety of sources, for example:

- Policyholders, Products and Business Practices: potential losses due to a failure to meet the professional obligations or from the design of products. Examples include mis-selling by external advisors and agents, non-compliance with internal or external requirements related to products, data protection breaches, etc. These losses tend to be of a lower frequency but with a potentially high financial impact.

Operational Risk (continued)

- Execution, Delivery and Process Management: potential losses arising from transaction or process management failures. Examples include interest and penalties associated with external advisor and agent distribution processes. These losses tend to be of a relatively higher frequency but with a low financial impact (although single large loss events can occur).
- Other operational risks including, for example, internal or external fraud, financial misstatement risk, a cyber security incident causing business disruption or fines, a potential failure at the Company's outsourcing partners causing a disruption to IAL's working environment, etc.

IAL has developed a consistent operational risk management framework, which is applied across the Company and focuses on the early recognition and proactive management of material operational risks. The framework defines roles and responsibilities as well as processes and methods. This framework triggers specific mitigating control programs. For example, compliance risks are addressed via written policies and dedicated compliance programs monitored by the Company's Compliance function. The risk of financial misstatement is mitigated by a system of internal controls covering financial reporting. Outsourcing risks are covered by Service Level Agreements, and Business Continuity and Crisis Management programs are in place to protect critical business functions from these events. Cyber risks are mitigated through investments in cyber security and a variety of ongoing control activities.

Business and Strategic Risk

Business and strategic risk is the risk of a decrease in the Company's net asset value arising from adverse management decisions on business strategies and their implementation. Strategic risks are identified and evaluated as part of IAL's risk assessment process and discussed in various Board committees. The Company also monitors market and competitive conditions, capital requirements, regulatory conditions, etc., to decide if strategic adjustments are necessary.

The most important strategic risks are directly addressed through IAL's annual Strategic Planning conference, which focuses on evaluating and revising the Company's ongoing and new strategic objectives and their risk implications.

Reputational Risk

Reputation risk is the risk that an event, internal or external, will negatively influence the stakeholders' perception and trust of the Company or where there is a gap between stakeholders' expectation and the Company's behaviours, attitudes, values, actions, or inactions.

IAL has defined a framework to reactively protect and proactively identify, monitor, manage and mitigate reputational issues to not only minimise value destruction, but also to build and maintain brand equity and trust among stakeholders.

The Company's reputation risk management framework objectives are aimed at developing a reputation risk culture and risk intelligence. Three main objectives drive the reputation risk management approach:

- Proactively manage reputation risks, avoid, or minimise negative issues impacting the reputation of IAL and build trust among all of IAL's stakeholders.
- Define accountability for reputation risks across the Company at all levels.
- Implement a common reputation risk management framework throughout the organisation.

Principle 6: Reporting with Integrity

The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.

Implementation

The Board is responsible for the preparation of IAL's reports and financial statements that fairly present the state of affairs of the Company and the results of its operations and that comply with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and the Companies Act 2001.

Implementation (continued)

In line with both our prudent approach to risk governance and compliance with regulatory requirements, IAL have created a structure to identify and mitigate the risk of material errors in the Company's financial statements.

The accounting and consolidation processes used by IAL to produce financial statements are based on a central consolidation and reporting IT solution.

The Board focuses on ensuring that controls are appropriately designed and effectively executed to mitigate risk. The Company has consistent documentation requirements for elements such as processes, related key controls, and execution. Further, the Company conducts regular assessments of its control system to maintain and continuously enhance its effectiveness. The internal audit function ensures that the overall quality of the Company's control systems is subjected to regular control-testing, to assure reasonable design and operating effectiveness. Internal audit does so through a comprehensive risk-based approach, which assesses the key controls of the Company's internal procedures and processes.

Governance

Responsibility for ensuring the completeness, accuracy, and reliability of IAL's financial statements rests with the Board as well as the Audit Committee. The Audit Committee ensures that all Board members are made aware of all material information and assesses the completeness and accuracy of the information provided in the financial statements as well as the risk management reports which includes an ORSA.

It is the responsibility of the Company's external auditor to form independent opinions, based on its audit of IAL's financial accounts and to report its findings to the Company's shareholders.

The Board considers that the reports and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's financial position, performance and outlook.

Dividend policy

The Company does not have a formal dividend policy but rather dividends are declared after taking into account IAL's profitability and the solvency requirements of the Companies Act 2001 and the Insurance Act 2005. The Company may declare dividends from time to time based on the previous financial year's results and the best estimates for the years ahead. The Company did not declare a dividend for the year under review.

Environmental Issues and Sustainability Reporting

IAL has an obligation to protect and preserve the environment. The Company actively supports a clean environment policy, focusing its efforts on protecting the environment through the use of high energy efficient equipment and compliance with applicable environmental laws, regulations and standards. Additionally, environmentally friendly and protective measures are incorporated as an integral part of the design, construction, installation, operation and maintenance of IAL's office facilities.

Health and Safety

The Company values and gives utmost importance to the health and safety of its employees and other stakeholders. IAL's occupational health and safety policy formalises its commitment to providing a healthy and safe working environment for its employees and to complying with all applicable legislation and regulatory and supervisory requirements. Occupational risk assessments carried out on an ongoing basis, allow IAL to adopt corrective measures and maintain employee awareness, in order to further improve the working environment.

Principle 7: Audit

Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors.

Internal Audit

Internal audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance. It derives its authority from the Board through the Audit and Risk Management Committees. The function provides the Board committees with a report of its findings and recommendations for each audit it performs, as well as the comments of the management of the audited function which, along with other sources of assurance, is used by the Board in making its assessment of the Company's system of internal controls and risk management.

IAL has outsourced the internal audit function of the Company for the financial year to Lancasters Chartered Accountants Mauritius (www.lancastersca.com). Internal audit operates within a defined authority granted to it by the Board, and reports to the Audit Committee.

A risk based 3-year internal audit plan is prepared and approved by the Audit and Risks Committees. The plan is based on an assessment of the main risk areas following discussions with management and then the Committees who offer an independent appreciation of the key risks the Company is exposed to. The internal audit plans typically assess the effectiveness of controls that address the high-risk areas within the business and others that may be deemed significant from a financial perspective. Examples of such risk areas would include reinsurance, securities dealing, payments, approvals, documentation storage and compliance.

The Audit Committee assesses the effectiveness of the internal audit through an annual internal effectiveness review, performed by Audit Committee following discussions with management. The review aims to ensure that the internal audit function complies with the requirements of the Company's internal audit policies, procedures and practices, and standards in all material aspects relating to audit planning and execution, and continued alignment with its mandated objectives.

External Audit

The external auditor is accountable to the Audit Committee, the Board of Directors and ultimately to the shareholders. The Board of Directors reviews the external auditor's professional qualifications and is assisted in its oversight by the Audit Committee.

The Company's external auditor is Ernst & Young Mauritius ("EY") (www.ey.com/en_mu) who were appointed in 2018 after taking over from BDO & Co. Oversight of the relationship with EY is one of the Audit Committee's key responsibilities. The Audit Committee is responsible for reviewing the external auditors' annual letter of engagement; the terms, nature and scope of the audit; and its approach. It is also responsible for ensuring that no unjustified restrictions or limitations have been placed on its scope. External auditors are rotated every 5 years.

IAL's policy is to provide the external auditors with unrestricted access to the Audit Committee and the Non-Executive members of the Audit Committee have the flexibility, when found necessary, to meet with the external auditors outside the presence of Management.

For the approval of the audited annual financial statements, the final document is circulated to the Audit Committee, who once satisfied, will recommend the approval of the annual financial statements to the Board. Following the annual audit, the Audit Committee meets with the external auditor to discuss key audit matters and significant issues raised in the management letter presented by the external auditors.

The Audit Committee assesses the effectiveness of the external audit process via feedback received from the management team. Areas for improvement are thereafter discussed with the external auditor. The Company is satisfied with the current external audit process.

The Audit Committee is responsible for monitoring the external auditors' independence, objectivity, and compliance with ethical, professional, and regulatory requirements; and for maintaining control over the provision of non-audit services. The external auditors are prohibited from providing non-audit services which might compromise their independence by requiring them to subsequently audit their own work.

External Audit (continued)
Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit Committee. The external auditor should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

Principle 8: Relations with Shareholders and Other Key Stakeholders
The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders, and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

Shareholders

Shareholding %	Shareholder's Name
60%	Hathaway Management Services Limited (BVI)
40%	Drill Stem Testing International Limited

Dealings in IAL Shares
No share dealings.

Share Option Policy
The Company has no share option plan.

Annual General Meeting
In conformity with Section 115 of the Companies Act 2001, an Annual Meeting of the Shareholders was held on 31 March 2022 for the approval of the financial statements for the year ended 31 December 2021. The Company's 2022 shareholders annual general meeting will be scheduled on receipt of the final draft annual financial statements from the Company's auditor.

Key Stakeholders
The Board understands that the long-term sustainable success of IAL is dependent on effective engagement with the Company's key stakeholders. IAL recognises the role that each stakeholder group plays in its success and the Company's responsibilities towards them. Building strong stakeholder engagement mechanisms, based on dialogue and participation, is a foundational part of our social 'licence to operate.' The table below identifies those key stakeholders and sets out how the Board engages with them.

Stakeholders	Importance	Engagement
Policyholders (indirect customers)	IAL's policyholders are the users of its products and services	The Company is listening to its policyholders through its advisors and acting on their suggestions. IAL are continually developing innovative products and solutions for their indirect retail customers.
Intermediaries (customers)	IAL's intermediaries are the distributors of its products and services and are the appointed advisors to the policyholders	The Company serves its intermediaries by developing product solutions around their customers' needs. The Board receives regular presentations on customer issues during the year and focuses on customer issues during the Board's annual strategic planning conference. The Board considers customer matters at every meeting to ensure a consistent and deep focus on the customer experience and on customer issues.
IAL Staff	IAL's Staff are essential to meeting the Company's purpose to deliver innovative and customer centric products and services to its policyholders and intermediaries	The Board engages with the Company's staff in several ways. The Board receives regular updates on the culture and engagement of the Company's employees. IAL is using employee surveys to systematically measure employee satisfaction, gather feedback and take action. As the Company moves into the digital era, it must develop its workforce to succeed in a world demanding more from an insurer, whether that means 'reskilling' existing talent or targeting new skills, so that they are empowered rather than estranged by technology.

Key Stakeholders (continued)

Stakeholders	Importance	Engagement
Business Partners & Suppliers	IAL's business partners & suppliers provide the Company with many of the tools needed to deliver IAL's services to its policyholders and intermediaries	The Company's procurement function conducts supplier surveys and supports a programme of supplier engagement. During the year the Board will continue to review this engagement activity.
Regulators	IAL is subject to regulations in every aspect of its operations and requires regulatory approval to function	IAL is subject to close and continuous supervision from its regulators. This includes regular meetings between management, the Company's Management Company, and the regulators.
Shareholders	IAL's shareholders are the ultimate owners of the Company and therefore play an important role in the financing, operations, governance and control aspects of a Company	The Board meets with shareholders on a regular basis which provides an opportunity for the shareholders to engage directly with the Board. The meetings allow the Board to understand the Shareholders' perspectives, exchange views about the Company's strategy, financial performance, corporate Governance, compensation, and other matters of importance.

DIRECTORS' STATEMENT OF COMPLIANCE

The Directors report that:

Throughout the year ended 31 December 2022, to the best of the Board's knowledge the Company has complied with the Code. The Company has applied all the principles set out in the Code and explained how these principles have been applied.

On behalf of the Board

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Richard Robinson
Director

Bernard Futter
Director

23 March 2023

Secretary's Certificate under section 166(d), of the Companies Act 2001.

In accordance with section 166(d) of the Company's Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company for the year ended 31 December 2022.

DocuSigned by:
Medhah Dwarka
06498C63863B402...
……………………………………..
Mauritius International Trust Company Limited ("MITCO")
4th Floor, Ebene Skies,
Rue de L'Institut,
Ebene
Mauritius

Date: 28 August 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ASSURANCE LIMITED PCC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of International Assurance Limited PCC (the "Company") set out on pages 34 to 75 which comprise the statement of financial position as at 31 December 2022, 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 significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Insurance Act 2005.

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 Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")" and other independence requirements applicable to performing audits of financial statements of the Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

The Key Audit Matters applies equally to the audit of the financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ASSURANCE LIMITED PCC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit

1. Existence of Investment in Digital Assets
 	
As at 31 December 2022, the Company's investments in digital assets amounted to USD 3,362,898 as disclosed in note 7 of the financial statements.
 	
The Company does not hold a private key to transact in digital assets on the blockchain and uses third parties to maintain custody of digital assets and those third parties themselves may not be subject to regulatory oversight and may not be subject to any audit focusing on their risk management and controls framework in the context of their outsourcing services they provide (e.g. a SOC 1 report may not be available). Furthermore, these third parties may combine their customers' assets into a single public address or a series of public addresses rather than maintain a separate/segregated public address for each customer. When this is the case, it is unlikely that the Company will be able to reconcile the transactions with the information on the blockchain because the blockchain transactions relating to the public address associated with the private key would include other transactions by other entities.
 	
Additionally, the information on the blockchain may not include all of the Company's transactions because these third parties may not process all digital asset transactions on blockchains. Instead, the third party may just record the transactions in its own books and records.
 	
When the Company's digital assets held by a third party that transacts using a single private-public key pair on behalf of multiple entities and does not have an appropriate SOC 1 Type 2 report, it may not be possible for management to obtain evidence over the existence of the reported digital assets.
	Our audit of the Company's investment included the following procedures:
	
	• We obtained and reviewed the custodial agreement between the Company and Custodian and evaluated the legality of ownership and rights associated over the related digital assets;
	• We confirmed the existence of all of the Company's investment in digital assets at the reporting date through independent confirmations from both custodians and exchanges, agreeing the nodes of each digital assets;
	• The Company maintains 61% of its digital assets with a custodian that has an appropriate SOC 1 Type 2 report that covers the audit period. The custodian maintains a separate public address for the Company. We obtained the SOC 1 Type 2 report for this custodian and evaluated the processes described therein and controls tested around custody of private keys, maintenance of and reporting on the Company's digital assets records by the custodian to its customers;
	• We have involved our EY Digital Asset Expert team in EY Global who have performed the following:
	  • Obtained and reviewed the centrally prepared blockchain evaluation memorandum from EY Digital Assets Research Centre team in terms of assets held under the custody to aid our understanding and evaluation of the digital assets held;
	  • Using two of the blockchain explorers traced the crypto currency nodes from opening balance to closing balance.
	  • Where the team made use of the third-party block explorers, evaluated the third-party block explorers prevalence, reputation and reliability in the industry.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ASSURANCE LIMITED PCC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

We considered this to be a key audit matter due to the significance of the matters mentioned above impacting the Company's claim over the existence of the digital assets. The disclosures relating to the recognition and measurement of the digital assets are presented in Note 3.3 (i) - Accounting Policy for digital assets, Note 18 - Insurance Risk, Financial Risk and Management Objectives and Policies "Risk Mitgation", estimates and assumptions and Note 7 - Intangible assets.	We assessed whether the financial statement disclosures related to the accounting policies and intangible assets note 7 are in accordance with the requirements of IAS 38 Intangible Assets.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 76-page document titled "International Assurance Limited PCC Audited Financial Statements for the year ended 31 December 2022", which includes the Corporate Information, the Directors' Report, the Corporate Governance Report and the Secretary's Certificate as required by the Companies Act 2001. The other information 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the 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.

Responsibilities of the Directors 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 the requirements of the Companies Act 2001 and the Insurance Act 2005 and for such internal control as the directors determine is necessary to enable the preparation of 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ASSURANCE LIMITED PCC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 judgement and maintain professional scepticism 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 the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 the directors 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL ASSURANCE LIMITED PCC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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 the 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.

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission (FSC).

Corporate Governance Report

The Directors are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Services Commission' Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the Corporate Governance 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 Corporate Governance Report, the Company has complied with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

THIERRY LEUNG HING WAH, F.C.C.A
Licensed by FRC

Date: 31/08/2023

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022		
		Equity shares	**Amount due to policyholders**	**Total**
		USD	**USD**	**USD**
Revenue from contracts with customers	15 (a)	**1,604,650**	**13,308,368**	**14,913,018**
Other revenue				
Premium income	15 (b)	**1,297,428**	**-**	**1,297,428**
Reinsurance premium	15 (c)	**(841,128)**	**-**	**(841,128)**
		456,300	**-**	**456,300**
Other income	16	**825**	**924,243**	**925,068**
		457,125	**924,243**	**1,381,368**
Total revenue		**2,061,775**	**14,232,611**	**16,294,386**
Gross benefit and claims paid		-	-	-
Claims recoveries		-	-	-
Net benefits and claims		-	-	-
Other expenses	17	**(1,560,337)**	**(21,556,360)**	**(23,116,697)**
Profit from operations		**501,438**	**(7,323,749)**	**(6,822,311)**
Net fair value loss on financial assets at fair value through profit or loss	5	**11,844**	**(38,329,268)**	**(38,317,424)**
Profit/(loss) before tax		**513,282**	**(45,653,017)**	**(45,139,735)**
Tax	14	**(87,117)**	**-**	**(87,117)**
Profit/(loss) after tax		**426,165**	**(45,653,017)**	**(45,226,852)**
Profit after tax attributable to policyholders	11	**-**	**45,653,017**	**45,653,017**
Profit after tax attributable to shareholders		**426,165**	**-**	**426,165**
Other Comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Revaluation loss on digital assets	7	**-**	**3,069,893**	**3,069,893**
		-	**3,069,893**	**3,069,893**
Other comprehensive income attributable to policyholders	11	**-**	**(3,069,893)**	**(3,069,893)**
Total other comprehensive incme		**-**	**-**	**-**
Total comprehensive income for the year attributable to shareholders		**426,165**	**-**	**426,165**

Independent auditor's report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2021		
		Equity shares	Amount due to policyholders	Total
		USD	USD	USD
Revenue from contracts with customers	15 (a)	1,075,571	3,156,403	4,231,974
Other revenue				
Premium income	15 (b)	1,154,265	-	1,154,265
Reinsurance premium	15 (c)	(735,786)	-	(735,786)
		418,479	-	418,479
Other income	16	1,102	973,600	974,702
		419,581	973,600	1,393,181
Total revenue		1,495,152	4,130,003	5,625,155
Gross benefit and claims paid		(489,115)	-	(489,115)
Claims recoveries		489,115	-	489,115
Net benefits and claims		-	-	-
Other expenses	17	(1,336,427)	(6,187,926)	(7,524,353)
Profit/(loss) from operations		158,725	(2,057,923)	(1,899,198)
Net fair value loss on financial assets at fair value through profit or loss	5	3,421	(15,495,126)	(15,491,705)
Profit/(loss) before tax		162,146	(17,553,049)	(17,390,903)
Tax	14	(18,177)	-	(18,177)
Profit/(loss) after tax		143,969	(17,553,049)	(17,409,080)
Profit after tax attributable to policyholders	11	-	17,553,049	17,553,049
Profit after tax attributable to shareholders		143,969	-	143,969
Other Comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	7			
Revaluation gain on digital assets	6	-	2,009,728	2,009,728
		-	2,009,728	2,009,728
Other comprehensive income attributable to policyholders	11	-	(2,009,728)	(2,009,728)
Total other comprehensive incme		-	-	-
Total comprehensive income for the year attributable to shareholders		143,969	-	143,969

Independent auditor’s report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022		
		Equity shares	Amount due to policyholders	Total
ASSETS		**USD**	**USD**	**USD**
Non current assets				
Financial assets at fair value through profit or loss	5	**1,031,218**	**229,579,365**	**230,610,583**
Plant and equipment	6	**14,142**	**-**	**14,142**
Intangible assets	7	**26,069**	**3,362,898**	**3,388,967**
		1,071,429	**232,942,263**	**234,013,692**
Current assets				
Prepayments and other receivables	8	**1,724,867**	**388,605**	**2,113,472**
Cash and cash equivalents	9	**1,102,209**	**39,242,135**	**40,344,344**
		2,827,076	**39,630,740**	**42,457,816**
Total assets		**3,898,505**	**272,573,003**	**276,471,508**
EQUITY AND LIABILITIES				
Equity and reserves				
Issued capital	10	**1,197,134**	**-**	**1,197,134**
Retained earnings		**1,071,000**	**-**	**1,071,000**
		2,268,134	**-**	**2,268,134**
Non-current liabilities				
Amount due to policyholders	11	**-**	**265,142,090**	**265,142,090**
Life cover reserve	12	**385,908**	**-**	**385,908**
		385,908	**265,142,090**	**265,527,998**
Current liabilities				
Bank overdraft	9	**-**	**674,671**	**674,671**
Deferred income	12	**222,664**	**-**	**222,664**
Other payables and accrued expenses	13	**934,682**	**6,756,242**	**7,690,924**
Income tax liability	14	**87,117**	**-**	**87,117**
		1,244,463	**7,430,913**	**8,675,376**
Total equity and liabilities		**3,898,505**	**272,573,003**	**276,471,508**

Approved for issue by the Board of Directors:

....

Director
Richard Robinson

....

Director
Bernard Emil Futter

Date: 28 August 2023

Independent auditor's report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2021		
		Equity shares	Amount due to policyholders	Total
ASSETS		USD	USD	USD
Non current assets				
Financial assets at fair value through profit or loss	5	368,499	117,923,568	118,292,067
Plant and equipment	6	22,115	-	22,115
Intangible assets	7	46,111	7,647,207	7,693,318
		436,725	125,570,775	126,007,500
Current assets				
Prepayments and other receivables	8	1,307,260	553,514	1,860,774
Cash and cash equivalents	9	1,396,277	14,468,895	15,865,172
		2,703,537	15,022,409	17,725,946
Total assets		3,140,262	140,593,184	143,733,446
EQUITY AND LIABILITIES				
Equity and reserves				
Issued capital	10	1,197,134	-	1,197,134
Retained earnings		644,835	-	644,835
		1,841,969	-	1,841,969
Non-current liabilities				
Amount due to policyholders	11	-	136,873,220	136,873,220
Life cover reserve	12	314,909	-	314,909
		314,909	136,873,220	137,188,129
Current liabilities				
Bank overdraft	9	665	21,507	22,172
Deferred income	12	237,475	-	237,475
Other payables and accrued expenses	13	727,067	3,698,457	4,425,524
Income tax liability	14	18,177	-	18,177
		983,384	3,719,964	4,703,348
Total equity and liabilities		3,140,262	140,593,184	143,733,446

Independent auditor's report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Issued capital	Retained earnings	Total
	USD	USD	USD
At 01 January 2021	1,197,134	500,866	1,698,000
Total comprehensive income for the year	-	143,969	143,969
At 31 December 2021	1,197,134	644,835	1,841,969
At 01 January 2022	1,197,134	644,835	1,841,969
Total comprehensive income for the year	-	426,165	426,165
At 31 December 2022	**1,197,134**	**1,071,000**	**2,268,134**

Independent auditor's report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

INTERNATIONAL ASSURANCE LIMITED PCC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
Cash flows from operating activities		**USD**	USD
Loss before taxation		**(45,139,735)**	(17,390,903)
Adjustments for:			
Net loss on financial assets at fair value through profit or loss	5	**38,317,424**	15,491,705
Impairment of intangibles	7	**6,210,764**	2,517,008
Depreciation and amortisation		**38,869**	40,978
Proceeds from policyholders		**155,406,346**	48,931,207
Redemptions of amount due to policyholders		**(15,089,535)**	(25,833,799)
Payments to service providers	11	**(13,616,366)**	(3,092,434)
		126,127,767	20,663,762
Changes in working capital:			
Increase in prepayments and other receivables		**(252,698)**	(419,066)
(Decrease)/Increase in deferred income		**(14,811)**	100,485
Increase in life cover reserve		**70,999**	61,919
Increase in other payables and accrued expenses		**3,265,400**	1,258,174
Cash flow generated from operating activities		**129,196,657**	21,665,274
Income tax paid		**(18,177)**	(33,011)
Net cash flow generated from operating activities		**129,178,480**	21,632,263
Investing activities			
Purchase of investments		**(135,979,748)**	(54,111,295)
Proceeds on disposal of investments		**29,495,358**	43,847,562
Purchase of plant and equipment	6	**(2,138)**	(18,199)
Purchase of intangible assets	7	**(58,102,300)**	(59,473,123)
Disposal of intangible assets	7	**59,237,021**	51,289,690
Net cash flow used in investing activities		**(105,351,807)**	(18,465,365)
Net increase in cash and cash equivalents		**23,826,673**	3,166,898
Cash and cash equivalents at 1 January		**15,843,000**	12,676,102
Cash and cash equivalents at 31 December	9	**39,669,673**	15,843,000
Non cash items:			
Investing activities			
Purchase of investments		**(45,592,547)**	(6,570,040)
Disposal of investments		**1,440,997**	2,705,432
		(44,151,550)	(3,864,608)
Financing activities			
Proceeds from policyholders		**45,592,547**	6,570,040
Payments to policyholders		**(1,440,997)**	(2,705,432)
		44,151,550	3,864,608

Independent auditor's report is on pages 29 to 33.
The notes on pages 40 to 75 form an integral part to the financial statements.

1. CORPORATE INFORMATION

International Assurance Limited PCC (the "Company") was incorporated in the Republic of Mauritius as a public company on 29 June 2009 and holds a Long-Term Insurance Business License. The Company is registered with the Financial Services Commission in Mauritius as a Protected Cell Company, which is regarded as a single legal entity within the meaning of the Protected Cell Companies ACT 1999 ("PCC Act") of the Republic of Mauritius. The Company was granted a category 1 Global Business License on 1 July 2009. Its registered office is located at 4th Floor, Ebene Skies, Rue de L'institut, Ebene, Mauritius. During the previous financial year, the Company converted its status from a Global Business Category 1 to a Global Business Licence holder following regulatory and tax changes in Mauritius.

As provided under the PCC Act, the Company may create one or more cells for the purpose of segregating and protecting cellular assets. Cellular returns may be paid to cellular investors in proportion of their invested amount by reference only to the cellular assets and liabilities attributable to the cell in respect of which the policyholders invested amount. A protected cell company may, in respect of any of its cells, create and issue shares ("cell shares") the proceeds of the issue of which ("cell share capital") shall be comprised of the cellular assets attributable to the cell in respect of which the cell shares were issued.

The Company is established as a protected cell company under the Protected Cell Companies Act 1999 of the Republic of Mauritius. This means that, the directors of the Company shall keep cellular assets separate and these are separately identifiable from non-cellular assets; and keep cellular assets attributable to each cell separately and these are separately identifiable from cellular assets attributable to other cells. Under the Companies Act 2001, the Company has not elected to present separate financial statements in respect of each cell and is liable to income tax in respect of its aggregated taxable income.

2. BASIS OF PREPARATION AND COMPLIANCE

a) Statement of compliance

The aggregated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standard Board ('IASB'), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

b) Basis of preparation

The financial statements are prepared under the historical cost basis, except for financial assets at fair value through profit or loss that have been measured at fair value and investment in digital assets measured on a revaluation basis.
The financial statements are presented in United States Dollar (USD) and all values are rounded to the nearest USD, except when otherwise indicated.

The Company, as at the reporting period, consists of the following active cells:
- International Assurance Limited PCC - Cell 1
- International Assurance Limited PCC - Cell 2
- International Assurance Limited PCC - Cell 5
- International Assurance Limited PCC - Cell 6
- International Assurance Limited PCC - Cell 7
- International Assurance Limited PCC - Cell 10

Cellular financial statements

According to tax laws in Mauritius, a PCC should elect to be taxed either on a cellular or an aggregate basis. This election will then determine whether the statutory financial statements need to be on a cellular or an aggregate basis.

2. BASIS OF PREPARATION AND COMPLIANCE (CONTINUED)

Cellular financial statements (continued)

The Company elected to be taxed on an aggregate basis and accordingly its statutory financial statements should be on an aggregate basis. In this context, the Company considers the statutory financial statements as the general-purpose 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

3. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 STANDARDS ISSUED AND EFFECTIVE

In the current year, there were new standards, amendments and interpretations, as listed below, that became effective, but none of these had an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- Reference to the Conceptual Framework – Amendments to IFRS 3
- IAS 41 Agriculture – Taxation in fair value measurements
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

3.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Company’s financial statements. None of these new and amended standards and interpretations are expected to have an impact on the financial statements of the Company, except for IFRS 17 Insurance contracts.

IFRS 17 Insurance contracts is effective for annual periods beginning on or after 1 January 2023. The Company has started the implementation of IFRS 17 and is expected to produce an IFRS 17 compliant figures by the date of issuance of the next set of financial statements, which will be used as basis to present the comparative figures when the standards go live.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, which replaces IFRS 4 Insurance Contracts.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 17 Insurance Contracts (continued)
In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies for measurement purposes, IFRS 17 provides a comprehensive model (the general model) for insurance contracts, supplemented by the variable fee approach for contracts with direct participation features that are substantially investment-related service contracts, and the premium allocation approach mainly for short - duration which typically applies to certain non-life insurance contracts.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, re-measured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts. The CSM represents the unearned profitability of the insurance contracts and is recognised in profit or loss over the service period (i.e., coverage period)
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice
- The recognition of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the statement of profit or loss, but are recognised directly on the statement of financial position
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a Company of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company plans to adopt the new standard on the required effective date.

The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on profit and total equity together with presentation and disclosure.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currencies

Functional and presentation currency

Items included in the financial statements are measured using United States Dollar (USD), the currency of the primary economic environment in which the entity operates. The financial statements are presented in USD, which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(b) Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. The Company's accounting policies in respect of the main financial instruments are set out below:

(i) Financial assets

IFRS 9 Financial instrument
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 3.3(o) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

(i) Financial assets (continued)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade receivables, and cash and cash equivalents.

Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have neither designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

The fair value gains or losses on financial assets at fair value through profit or loss backing the policyholders' liabilities and attributable to policyholders are transferred to the 'Amount due to policyholders' account at each valuation point.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, considering any discount/ premium and qualifying transaction costs being an integral part of instrument.

Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established. Interest income and dividend income attributable to policyholders are transferred to 'Amount due to policyholders' account when accrued.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

(i) Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Derecognition (continued)

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. The amount of any impairment loss identified is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of amortised cost, plus directly attributable transaction costs.

The Company's financial liabilities include other payables, amount due to policyholders and accrued expenses.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Amortised cost

After initial recognition, other payables and accruals are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities in this category are those that are not held for trading and have neither designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

Included in this category are the amount due to policyholders which are valued based on the financial assets held by the Company backing the policyholders' liability.
Financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest incurred on instruments designated at FVPL is accrued in interest expense, respectively, using the EIR, considering any discount/ premium and qualifying transaction costs being an integral part of instrument. Included in this category are amount due to policy holders and the value of the amount due is closely and determined by the value of the corresponding assets.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the Company. Management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(c) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank, cash in hand and short-term deposits. Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdraft.

(d) Stated capital

Ordinary shares are classified as equity. The Redeemable participating shares issued to the investors of the Core cell are classified as equity as the redemption of the shares are at the option of the Company.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(f) Income tax

Deferred income tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Income tax (continued)

Deferred income tax(continued)
However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting date.

Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 18 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021. Post 30 June 2021, under the new tax regime and subject to meeting the necessary requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the FSC, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income or (b) a partial exemption of 80% of some income derived, including but not limited to foreign source dividends or interest.

(g) Expenses

Expenses are recognised in the statement of profit or loss on accrual basis.

(h) Related parties

Related parties can be individuals and companies where the related party or the Company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) Intangible assets

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (continued)

- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent year.

Computer software development costs recognized as assets are amortised over their estimated useful lives, which does not exceed three years.

Digital assets

The Company holds Digital Assets equal to the amount due to holders of Digital Securities solely for the purposes of meeting its obligations under the linked investment policies.

Whilst the IFRS Interpretation Committee issued an agenda decision on the accounting for cryptocurrencies in June 2019, there is no one standard under IFRS which details how digital currencies are to be accounted for. Following a review of the facts and circumstances, the directors have determined that the Digital Assets fall within the scope of IAS 38 Intangible Assets. Furthermore, the directors have determined to account for Digital Assets under the IAS 38 revaluation model being its fair value on the basis there is an active market for the transfer and sale of the Digital Assets that the Company holds. The Digital Assets are held to provide the security holders with the exposure to changes in the fair value of Digital Assets and therefore the Directors consider that carrying the Digital Assets at fair value reflects the objectives and the purpose of holding the asset.

Digital Assets are priced daily based on the amount of the Digital Assets held using the relevant Quoted Price and is considered to be the fair value of the Digital Assets. Also, daily an amount is reclassified from Digital Assets held in respect of the Management Fee.

- *Issue and Redemption*

Upon initial recognition and the receipt of digital assets, they are recorded at fair value using the Quoted Price. Upon redemption of Digital Securities and the transfer out of digital assets, the attributable cost shall be calculated in accordance with the average cost methodology, and the overall cost reduced accordingly to represent the de-recognition of the digital assets. Any previously recognised gains on the digital assets de-recognised as a result of the transfer are reclassified to retained earnings. The Company has specific arrangement with its policyholders under the linked investment contracts where all the investment in digital assets is held solely for the benefit of the policyholders and not the shareholders. All realised and unrealised gains and losses are allocated to the amount due to policyholders.

- *Subsequent Measurement*

An increase in fair value is recorded first through Statement of Profit or Loss in respect of any previous impairment recognised being reversed, with any further gains being recognised through Statement of Other Comprehensive Income. A decrease in fair value is recorded first through Other Comprehensive Income in respect of any previous gains recognised being reversed, with any further impairment being recognised through Profit or Loss.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Plant and equipment

Plant and equipment are 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.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The respective depreciation rates applied are as follows:

	%
Furniture and fittings	20
Computer equipment	33
Leasehold improvements	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and included in statement of profit or loss.

(k) Insurance contracts

Classification* of *insurance contracts

Contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts. Insurance risk is risk other than financial risk.

Investment contracts are those contracts that transfer significant financial risks and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance contracts may also transfer some financial risk.

Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment can, however, be classified as insurance contracts after inception if insurance risk becomes significant.

These contracts insure human life events (for example death or survival) over a long duration. A unit-linked insurance contract is an insurance contract with an embedded derivative linking payments on the contract to units of an internal investment fund set up by the Company with the consideration received from the contract holders after deducting life charges, administration charges and any unpaid charges.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Insurance contracts (continued)

The Company does not separately measure any embedded derivatives as they qualify for recognition as an insurance contract. As such, they are measured as insurance contracts.

Life insurance liabilities are recognised when contracts are entered into, and premiums are charged. These liabilities are measured by using the Gross Premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used. The liability is either based on current assumptions or calculated using the assumptions established at the time the contract was issued, in which case, a margin for risk and adverse deviation is generally included. A separate reserve for longevity may be established and included in the measurement of the liability. Furthermore, the liability for life insurance contracts comprises the provision for unearned premiums and premium deficiency, as well as for claims outstanding. Adjustments to the liabilities at each reporting date are recorded in profit or loss in ‘movement in life assurance fund’. Profits originated from margins of adverse deviations on run-off contracts are recognised in profit or loss over the life of the contract, whereas losses are fully recognised in profit or loss during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled.

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequacy test. The liability value is adjusted to the extent that it is insufficient to meet expected future benefits and expenses.

Long term insurance contracts

In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claims handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. To the extent that the test involves discounting of cash flows, the interest rate applied may be based on management’s prudent expectation of current market interest rates. Any inadequacy is recorded in profit or loss and subsequently, an additional insurance liability for the remaining loss is established. In subsequent periods the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. The assumptions do not include a margin for adverse deviation. Impairment losses resulting from liability adequacy testing can be reversed in future years if the impairment no longer exists.

Recognition and measurement

At each reporting date the amount of the liabilities of the Life assurance fund is established. A portion of the surplus or deficit between the value of the assets and the value of the liabilities is transferred to profit or loss. Assumptions used in the valuation basis are reviewed periodically and any changes in estimates are reflected in profit or loss as they occur.

The valuation bases used for the major classes of contract liabilities are as follows:

For individual and Company market-related life business, the liability is taken as the market value of the underlying assets plus a provision for risk benefits of one year’s risk premiums.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Insurance contracts (continued)

Recognition and measurement (continued)

For conventional endowment business, and non-profit annuities, the liability is taken as the difference between the discounted value of future benefit payments and the discounted value of future premium receipts.

For pure life risk business, a risk provision of one year's risk premium is held.

Provision is made in the policyholders' liabilities under insurance contracts for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date. Outstanding claims and benefit payments are stated gross of reinsurance.

Amount due to policyholders

Amount due to policyholders are investment contracts without Discretionary Participating Feature ('DPF'). Investment contract liabilities without DPF are recognised when contracts are entered into. These liabilities are initially recognised at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition investment, contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognised as gross premium in profit or loss.

Fair value adjustments are performed at each reporting date and are recognised in the profit or loss in "Amount attributable to policyholders". For unitised contracts, fair value is calculated as the number of units allocated to the policyholder in each unit-linked fund multiplied by the unit-price of those funds at the reporting date.

The fund assets and fund liabilities used to determine the unit prices at the reporting date are valued on a basis consistent with their measurement basis in the Company statement of financial position.

The liability is derecognised when the contract expires, is discharged or is cancelled. For a contract that can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

(l) Reinsurance contracts held

Reinsurance contracts are entered into by the Company with reinsurers to mitigate insurance risk and under which the Company is compensated for losses on one or more contracts issued by the Company.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer-term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Reinsurance contracts held (continued)

Amount recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment. Long-term insurance liabilities are shown gross of reinsurance. A reinsurance asset is then disclosed separately.

The Company's reinsurance assets are assessed for impairment. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

(m) Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in profit or loss.

(n) Insurance benefits and claims

Insurance benefits and claims incurred under insurance contracts include death, disability, maturity, annuity and surrender payments are recognised in profit or loss. Death, disability and surrender claims are recognised when notified. Maturity and annuity claims are recognized when due for payment.

(o) Revenue recognition

Revenue from contracts with customers – IFRS 15
The Company investment advice to its clients under contract. Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue from sale of services is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

- *Investment income*

Income from investments and originated loans is included in statement of profit or loss on the following bases:

Dividends - When the right to receive payment is established.
Interest - As it accrues using the effective interest rate method.

3. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

3.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition (continued)

- Fees and commission income

Insurance and investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those future periods.

- Realised gains and losses

Realised gains and losses recorded in profit or loss on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

Premiums - IFRS 4

Gross recurring premiums on life are recognised as revenue when payable by the policyholder. For single premium business, revenue is recognised on the date on which the policy is effective.

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium; others are recognised as an expense. Gross reinsurance premiums on life and investment contracts are recognised as an expense on the earlier of the date when premiums are payable or when the policy becomes effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (continued)

Insurance contract liabilities
The liability for life insurance contracts is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Company bases mortality and morbidity on the SA5662 which reflect historical experiences, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future mortality exposure.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Classification of investments in digital assets

The directors have determined that the investment in digital assets would fall within the scope of IAS 38 Intangible Assets and have considered the following in their assessment:

The directors consider that the essential characteristics of intangible assets are that they:
• Are controlled by the entity
• Will give rise to future economic benefits for the entity
• Lack physical substance
• Are identifiable
An item with these characteristics is classified as an intangible asset regardless of the reason why the Company holds that asset.

Control – Control is the power to obtain the future economic benefits of an item while restricting the access of others to those benefits. Control is normally evidenced by legal rights, but IAS 38 is clear that they are not required where the entity is able to control access to the economic benefits in another way. IAS 38 notes that, in the absence of legal rights, the existence of exchange transactions for similar non-contractual items can provide evidence that the entity is nonetheless able to control the future economic benefits expected.

Future economic benefits – Many digital-assets do not provide a contractual right to economic benefits. Instead, economic benefits are likely to result from a future sale to a willing buyer, or by exchanging the digital asset for goods or services.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Classification of investments in digital assets (continued)

Lacks physical substance – As Digital-assets are digital representations; they are by nature without physical substance. Identifiable – In order to be identifiable, an intangible asset needs to be separable (capable of being sold or transferred separately from the holder) or result from contractual or other legal rights. As most Digital assets can be freely transferred to a willing buyer, they would generally be considered separable. Similarly, Digital assets that result from contractual rights would generally be considered separable.

Digital assets generally meet the relatively wide definition of an intangible asset, as they are identifiable, lack physical substance, are controlled by the holder and give rise to future economic benefits for the holder.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	USD	USD
Financial Assets designated at fair value through profit or loss	**230,610,583**	118,292,067

The movement for the year is as follows:

	2022	2021
	USD	USD
At 1 January	**118,292,067**	119,655,430
Additions	**181,572,295**	60,681,336
Disposals	**(30,936,355)**	(46,552,994)
Fair value loss	**(38,317,424)**	(15,491,705)
At 31 December	**230,610,583**	118,292,067

Included in the total additions of USD 181,572,295 amounts of non-cash transaction of USD 45,592,547 which represent book entry to reflect investment switch within the policyholders' portfolio of investment. Similar, the disposals of USD 30,936,355 include non-cash transaction of USSD 1,440,997 to reflect investment switch between policyholders within a particular cell.

Determination of fair value and fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Non-market observable inputs mean that fair values are determined in whole or in part using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The main asset classes classified in level 2 are unlisted equity investments and debt instruments which are valued using the quoted equity securities and net asset values of investee companies. The prices are quoted on established exchanges/platforms for unlisted instruments issued by companies which themselves maintain portfolio of listed securities.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The prices quoted on the exchanges/platforms are the unadjusted traded prices. Accordingly, management has assessed that the quoted prices approximate the fair value of the instruments. In the valuation process, management makes no adjustments to the quoted prices. The listed securities are classified as level 1 and the quoted prices of the unlisted securities are classified as level 2. The Company does not hold any level 3 investments.

The table below shows the classification of the instruments in the Company's portfolio in the fair value hierarchy:

	2022			
	USD	**USD**	**USD**	**USD**
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets designated at fair value through profit or loss	**25,231,087**	**205,379,496**	**-**	**230,610,583**

	2021			
	USD	USD	USD	USD
	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	32,580,769	85,711,298	-	118,292,067

6. PLANT AND EQUIPMENT

	Furniture and fittings	**Computer equipment**	**Leasehold improvement**	**Total**
	USD	**USD**	**USD**	**USD**
COST				
At 1 January 2021	9,851	31,284	1,145	42,280
Additions	12,811	5,388	-	18,199
At 31 December 2021	22,662	36,672	1,145	60,479
Additions	168	1,970	-	2,138
At 31 December 2022	**22,830**	**38,642**	**1,145**	**62,617**
DEPRECIATION				
At 1 January 2021	5,202	21,237	687	27,126
Charge for the year	4,401	6,608	229	11,238
At 31 December 2021	9,603	27,845	916	38,364
Charge for the year	4,412	5,470	229	10,111
At 31 December 2022	**14,015**	**33,315**	**1,145**	**48,475**
NET BOOK VALUE				
31 December 2022	**8,815**	**5,327**	**-**	**14,142**
31 December 2021	13,059	8,827	229	22,115

7. INTANGIBLE ASSETS

	Computer Software	Total
	USD	USD
COST		
At 1 January 2021	109,292	109,292
Additions	28,946	28,946
At 31 December 2021	138,238	138,238
Additions	8,716	8,716
At 31 December 2022	**146,954**	**146,954**
AMORTISATION		
At 1 January 2021	62,387	62,387
Charge for the year	29,740	29,740
At 31 December 2021	92,127	92,127
Charge for the year	28,758	28,758
At 31 December 2022	**120,885**	**120,885**
NET BOOK VALUE		
31 December 2022	**26,069**	**26,069**
31 December 2021	46,111	46,111

	2022	2021
	Investment in digital assets	Investment in digital assets
	USD	USD
FAIR VALUATION		
At 1 January	10,164,215	-
Additions	58,093,584	59,444,177
Disposals	(59,237,021)	(51,289,690)
Revaluation adjustments	3,069,892	2,009,728
At 31 December	**12,090,670**	10,164,215
AMORTISATION		
At 1 January	2,517,008	-
Impairment charge	-	2,517,008
Revaluation adjustments	6,210,764	-
At 31 December	**8,727,772**	2,517,008
NET BOOK VALUE		
At 31 December	**3,362,898**	7,647,207

As disclosed in note 4 Estimates and Judgements, the directors have assessed that the investments in digital assets meet the definition of an intangible assets and have been initially recognised and subsequently measured in accordance with the requirements of IAS 38 Intangible Assets. The Company has adopted the revaluation model to account for its investment in digital assets. The digital assets are valued using the quoted price of the digital assets on the digital asset exchanges at the close of business of the reporting date.

7. INTANGIBLE ASSETS (CONTINUED)

As disclosed in note 18, insurance risk, financial risk and management objectives and policies, the directors have assessed the risk associated with holding of digital assets and disclosed the measurement and policies adopted for managing those risks.

Had the Company adopted the cost model, the investment in digital assets would have been presented as follows:

	2022	2021
	USD	USD
At 1 January	**8,154,487**	-
Additions	**58,093,584**	59,444,177
Disposals	**(59,237,021)**	(51,289,690)
	7,011,050	8,154,487
AMORTISATION		
At 1 January	**2,517,008**	-
Amortisation during the year	**6,210,764**	2,517,008
Disposal	**(2,517,008)**	-
	6,210,764	2,517,008
NET BOOK VALUE		
At 31 December	**800,286**	5,637,479

The Company is holding the digital assets under its linked investment contracts issued to the policyholders where the latter bear all the risk and rewards associated with these digital assets. Accordingly, the Company maintains a corresponding liability " Amount due to Policyholders" to reflect this arrangement.

Fair value measurement

The digital assets are revalued using the quoted price of those instruments available on the digital assets' exchanges and the directors have assessed these instruments would be classified as level 1 in the fair value hierarchy.

The significant observable input in the valuation of the digital assets is the quoted prices.

The prices of these digital assets quoted on the exchanges fluctuate based on the demand and supply of these instruments. The value of the digital assets is sensitive to the quoted prices.

The below table illustrates the impact on amount due to policyholders for a 5% change in prices:

	2022	2021
	USD	USD
Amount		
Before sensitivity analysis	**3,362,898**	7,647,207
Increase 5% in prices	**3,531,043**	8,029,567
Impact on other comprehensive income/profit or loss	**168,145**	382,360
Amount		
Before sensitivity analysis	**3,362,898**	7,647,207
Decrease 5% in prices	**3,194,753**	7,264,847
Impact on other comprehensive income/profit or loss	**(168,145)**	(382,360)

8. PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
	USD	USD
Intercells receivable (note 18)	**1,642,762**	1,667,648
Other receivables	**368,261**	150,138
Prepayments	**79,522**	30,683
Amount receivable from related parties (note 18)	**20,622**	10,000
Amount receivable from clients	**2,305**	2,305
	2,113,472	1,860,774

Amount receivable from intercells represents payment by individual cells to core cell. The Core cell has control over the cash inflow, and these are on demand. No ECL has been recognised, given cash flow is certain and the core cell has control over the cash.

Prepayments and other receivables are non-interest bearing.

Other receivables include premium receivable from policyholders amounting to USD 93,197. Premium receivable is out of scope of IFRS 9 and therefore is not subject to expected credit losses. However, the Company has developed an accounting policy to assess the credit risk on long outstanding balances from policyholders. Amount due to policyholders that are due over 180 days are considered as bad and fully provided for.

The currency profile of the Company's prepayments and other receivables is in USD.

9. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise at the reporting date of the following:

	2022	2021
	USD	USD
Cash at bank and in hand	**40,344,344**	15,865,172
Bank overdraft	**(674,671)**	(22,172)
	39,669,673	15,843,000

10. ISSUED CAPITAL

	2022	2021	**2022**	2021
	No of Shares	No of Shares	**USD**	USD
At 1 January	**1,197,134**	1,197,134	**1,197,134**	1,197,134
At 31 December	**1,197,134**	1,197,134	**1,197,134**	1,197,134

Analysed as follows:

	2022	2021
Management shares issued and fully paid at USD 1 each	**USD**	USD
At 31 December	**100**	100
Redeemable preference shares at USD 1 each		
At 31 December	**1,197,034**	1,197,034
Total issued capital	**1,197,134**	1,197,134

Each management share confers on the holder thereof the right to one vote on a poll at a member's meeting of the Company on any resolution.
No management share can at any time be held otherwise than by such person or persons as may be approved by the directors.

10. ISSUED CAPITAL (CONTINUED)

The holders of management shares are not entitled to any dividends.

The Redeemable Preferences Shares of the Company are non-voting and are entitled to share in the distribution of dividends based on the performance of the Company. The shares are redeemable at the option of the Company.

11. AMOUNT DUE TO POLICYHOLDERS

	2022	2021
	USD	USD
At 1 January	**136,873,220**	128,546,958
Proceeds from issues	**200,998,893**	55,501,247
Redemptions	**(16,530,532)**	(28,539,231)
Payments to service providers	**(13,616,367)**	(3,092,434)
Loss for the year and other comprehensive income	**(42,583,124)**	(15,543,320)
At 31 December	**265,142,090**	136,873,220

12. TECHNICAL RESERVES

As per the Insurance Act 2005 section 16 (1), an insurer is required to make adequate technical provision in its account for its underwriting liabilities in respect of its insurance policies whether long term or general including liabilities for unexpired risks, outstanding and incurred claims, provisions for claims incurred but not reported, and liabilities for policy benefits which have not become claimable. The insurance risks on the company's life insurance policies in cell 1 are 100% reinsured with reinsurers and the company does not retain any residual risk. Consequently, no insurance liabilities are recognised at each reporting date as confirmed by the external actuary.

Life cover reserve
The life cover reserve represents the 1% life cover attached to the policies under Cell 2, Cell 6 and Cell 10. In case of death of the policyholders, the latter is entitled to 1% of the contribution made at the time of death subject to a maximum of USD 500 (maximum applicable to new policies starting January 2020).

Deferred income
This reserve represents the premium deferred to cover the unexpired risk under policies sold under Cell 1. These are released as the contracts progress over their term.

	2022	2021
	USD	USD
Life cover reserve	**385,908**	314,909
Deferred income	**222,664**	237,475
	608,572	552,384

13. OTHER PAYABLES AND ACCRUED EXPENSES

	2022	2021
	USD	USD
Other payables	**5,946,183**	2,771,679
Intercells balance payable (note 18)	**1,512,461**	1,479,408
Accrued expenses	**232,280**	174,437
	7,690,924	4,425,524

Other payables include commissions due to financial advisors amounting to USD 5,923,989 (2021: USD 2,762,431).

14. TAXATION

Under the current laws, the Company is subject to tax in Mauritius on its taxable profits at a rate of 15%. Foreign tax credit applies on any foreign source income that has been subject to any foreign tax. Mauritius does not have any capital gains tax and furthermore, any trading profits on the sale of securities are generally exempt from tax.

The Financial Services Commission ("FSC") issued a Global Business Licence ("GBL") to the Company on 14th December 2017. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019.

As from 1 July 2021, the Company was no longer allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. Effective as from 1 January 2019, the Company may apply an exemption on its foreign dividend income, interest income and profits from foreign permanent establishments: the exemption is computed at 80% of the relevant foreign sourced income and is subject to certain prescribed conditions. The exemption is not mandatory so that the Company may apply the credit system if it so wishes.

Income tax – Statement of profit or loss and other comprehensive income

	2022	2021
	USD	USD
Current tax on the adjusted result for the year	**87,117**	18,177

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

	2022	2021
	USD	USD
Loss before taxation	**(45,139,735)**	(17,390,903)
Tax calculated at a rate of 15% (2021: 15%)	**(6,770,960)**	(2,608,635)
Annual allowance on assets	**(3,145)**	(7,858)
Income not taxable for tax purposes	**(233,933)**	(76)
Expenses not allowable for tax purposes	**7,095,155**	2,707,453
	87,117	90,884
Tax losses utilised	**-**	-
	87,117	90,884
Deemed foreign tax credit of 80% (2021: 80%)	**-**	(72,707)
Income tax expense	**87,117**	18,177

Income tax – Statement of financial position

	2022	2021
	USD	USD
At 1 January	**18,177**	33,011
Income tax charge	**87,117**	18,177
Income tax paid	**(18,177)**	(33,011)
At 31 December	**87,117**	18,177

15. REVENUE

Initial fees are charged once to the policyholders on their initial invested amount and is based on rates agreed in the contracts signed between the Company and the policyholders.
The administration fees are fees charged to the policyholders monthly for the administration of the policyholders' portfolio by the Company and are based on rates agreed in the contract signed between the Company and the policyholders.

	2022	2021
	USD	USD
(a) Revenue from contract with customers		
Initial fee income	**10,254,768**	959,912
Administration income	**4,658,250**	3,272,062
	14,913,018	4,231,974

Revenue is recognized as follows:

	2022	2021
	USD	USD
At point in time recognition	**14,913,018**	4,231,974

Premium income is receivable from policyholders who have subscribed to pure risk policies issued under Cell 1. The risk covered under such policies include life assurance, total permanent disability, critical illness among others.

	2022	2021
	USD	USD
(b) Premiums	**1,297,428**	1,154,265

The risk under the pure risk policies is 100% reinsured and consequently the premium collected from the policyholders, after deduction of the fees, are ceded to the reinsurers.

	2022	2021
	USD	USD
(c) Reinsurance premiums	**841,128**	735,786

16. OTHER INCOME

	2022	2021
	USD	USD
Interest income	**505,879**	880,794
Proceeds from liquidation of suspended assets	**262,134**	506
Dividend income from equity securities	**155,988**	91,903
Others	**1,067**	1,499
	925,068	974,702

17. OTHER EXPENSES

	2022	2021
	USD	USD
Commissions payable to financial advisors	**12,235,922**	2,310,589
Revaluation losses on intangible assets	**6,210,765**	2,517,008
Impairment - bank balance held with FTX	**1,466,918**	-
Administration and initial fees (note 19)	**1,380,445**	1,134,675
Others	**589,285**	498,897
Employee benefit expenses	**444,123**	403,941
Realised foreign exchange losses	**329,041**	291,295
Bank Charges	**210,710**	127,585
Computer expenses	**153,293**	124,190
Legal and professional fees	**96,195**	116,173
	23,116,697	7,524,353

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place. The Company has established a risk management function with clear terms of reference from the board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers.

Lastly, a Company policy framework which sets out the risk profiles for the Company, risk management, control and business conduct standards for the Company's operations has been put in place. Each policy has a member of senior management charged with overseeing compliance with the policy throughout the Company. The board of directors approves the Company's risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

Capital Management
The Company manages its capital to ensure that it will be able to continue as a going concern and also comply with applicable laws and regulations.

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the year ended 31 December 2022 and 31 December 2021.

The operations of the Company are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

Under the Insurance (Long-Term Insurance Business Solvency) Rules 2007, the minimum capital requirement for long-term business is determined by the actuary, which is the higher of:

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) a stress test requirement determined in accordance with guidelines issued by the Financial Services Commission to ensure that the company remains solvent; or

(b) the higher of:

(i) an amount of Rs 25 million; or

(ii) an amount representing 13 weeks' operating financial services, with operating expenses as defined and reported in the annual statutory return submitted to the Financial Services Commission.

The Company is required to maintain shareholder's fund to cover the Minimum Capital Requirement by at least 1 time. For the years ended 31 December 2022 and 31 December 2021, the Company has satisfied the minimum capital requirement. The table below shows the capital available to meet the minimum capital requirement.

Capital Management (continued)

	2022	2021
	USD	USD
Total shareholders' fund per financial statements	**2,268,134**	1,841,969
Adjustments onto a regulatory basis	**(26,069)**	(46,111)
Available capital resources	**2,242,065**	1,795,858

The regulatory adjustments are assets inadmissible for solvency purposes.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the Financial Services Commission (FSC). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Company's capital management policy for its insurance is to hold sufficient capital to cover the statutory requirements based on the FSC directives, including any additional amounts required by the regulator.

Approach to capital management
The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

Insurance and Financial risk

Insurance risk

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Insurance and Financial risk (continued)

Insurance risk (continued)

The main risk that the Company faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome. In addition, a more diversified portfolio is more likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Also, the Company makes use of reinsurance arrangements to reduce exposure to risk.

The Company purchases reinsurance as part of its risk mitigation programme, Reinsurance ceded is placed on both a treaty and facultative basis. Amount recoverable from reinsurers are in accordance with the reinsurance contracts.

Although the Company has reinsurance arrangements, it is not relieved of its direct obligation to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. For its pure risk policies, the exposure is 100% reinsured and the company takes no residual risks.

The Company’s placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

A key risk for the Company is that the proceeds from its assets will not be sufficient to fund the obligations arising from its insurance and investment contracts.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Company has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (i.e., subrogation).

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Mortality, morbidity and medical risks

Underwriting processes are in place to manage exposure to death, disability and medical risks. The most significant measures are:

a. Premium rates are reviewed for financial soundness by the actuary to the Life fund; and

b. Reinsurance arrangements are negotiated in order to limit the risk on any individual contract.

The Company has reinsurance treaty in place where 100% of the insured risks are ceded to the reinsurers and the Company is exposed to no residual risk on the pure risk insurance policies.

The investment linked policies sold to policy holders, the investment risks are borne by the policy holders only and the only residual risks borne by the Company are the 1% of premium contribution representing death cover attached to the original contract.

Some of the Gross Premium Valuation (GPV) assumptions can fluctuate over time as GPV assumptions are realistic.

The following assumptions were changed to assess the impact on the GPV reserves.

1. Renewal expenses plus 10%, that is, 110% of current basis.
2. Surrenders plus 10%, that is, 110% of current basis.
3. Inflation rate plus 1%
4. Investment rate minus 1%
5. Mortality plus 10%, that is, 110% of current basis.

The table below shows the sensitivity results on the total liabilities using published financial results, and inclusive of the fund values, using scenarios as required for disclosure in the financial statements:

Cell	Main basis USD	Renewal expenses + 10% USD	Surrenders + 10% USD	Inflation + 1% USD	Investment return - 1% USD	Mortality + 10% USD
Cell 1	869,237	869,237	869,237	869,237	869,237	869,237
Cell 2	160,547,500	160,547,500	160,537,315	160,547,500	160,547,559	160,557,337
Cell 6	19,589,877	19,589,877	19,589,563	19,589,877	19,589,877	19,590,039
Cell 7	92,435,392	92,435,392	92,435,392	92,435,392	92,435,392	92,435,392
Cell 10	234	234	234	234	234	234
Core	674,018	674,018	674,018	674,018	674,018	674,018
	274,116,258	**274,116,258**	**274,105,759**	**274,116,258**	**274,116,317**	**274,126,257**

No management expenses are incurred in the cells other than the fees payable. The fees are determined contractually and therefore not modelled as a sensitivity scenario.

Risk management structure

The Board of Directors is ultimately responsible for the overall risk management of the Company.

Risk measurement and reporting system

Monitoring and controlling risks are primarily set up to be performed based on limits established by the Board of Directors.

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

These limits reflect the business strategy and market environment of the Company as well as the level of risk the company is willing to accept. In addition, the Company monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

The Company maintains a portfolio of Digital Assets for its policy holders where the policyholders have signed an investment contract with the Company and who advises the Company in which crypto currencies they wish to invest in. The policyholders with their investment advisors have apprised themselves of the risk associated with investing in crypto currencies and acknowledges that they will bear the market risks and rewards associated with the crypto currencies.

In order to fulfil its duties under the investment contract, the Company has entered into agreements with custodians who have the required structure, internal control environment and the relevant experience in dealing with Crypto currencies. The Directors has assessed that, based on the contractual agreements with the custodians in place, the Company has ownership over the crypto-currencies and that the custodian only maintains custody accounts for safe keeping and reporting to the Company on all crypto-currencies position on frequencies agreed between the Company and the custodians.

The custodians keep the Company’s crypto currencies in a unique cold storage wallet for which the Company retains the private key. The evaluation of whether the Company recognises the crypto currencies in its statement of financial position can be complex and will depend on the facts and circumstances of each situation. Similar to the more traditional custodians of client money, the assessment should focus on whether the Company is subject to substantial risks and rewards incidental to ownership of the assets under its control. The assessment requires careful consideration of the terms of a custodians’ agreement with the Company, the laws governing the jurisdiction(s) in which the custodians operate and how the custodians manage and store the crypto currencies.

The Directors have considered the following factors when determining the appropriate accounting treatment and to mitigate the risk associated with the holding of crypto currency accounts with the custodians:

• Local laws and regulations

There are no specific laws in Mauritius dealing with holding of crypto currencies. The Directors rely on the custodian agreement in place to determine whether the Company has control over the crypto currencies and consequently bears all the associated risk and rewards.

• Analysis of which party has legal title to the crypto currencies

The custodians maintain a segregated account for the Company for safe keeping and reporting of the crypto currencies and the custodians only follow the instructions issued by the Company to transact in crypto currencies and is not allowed to generate any profit on these transactions.

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk mitigation (continued)

• Analysis of which party has legal title to the crypto currencies (continued)

The Company can withdraw the crypto currencies at any time as it deems fit from the segregated account to meet its obligation vis a vis its policy holders. The Directors have made their own assessment to demonstrate that the Company controls the crypto currencies. For the investment in crypto currencies the Company might not have contractual rights over those assets because of the very nature of those instruments. However, IAS 38 'Intangible Assets' is clear that contractual or legal rights are not required where the Company is able to control access to the economic benefits in another way. IAS 38 notes that, in the absence of legal rights, the existence of exchange transactions for similar non-contractual items can provide evidence that the entity is nonetheless able to control the future economic benefits expected. The decision to acquire or dispose of these instruments resides with the Company as the latter has control over those assets.

• The status of the crypto currencies in the event of the custodians' insolvency (i.e., are the crypto currencies available to general claims from the custodians' creditors in the event of bankruptcy)

The custodians have made representations to the Company that it will safekeep the Digital Assets and segregate all Digital Assets from both the (i) property of custodian, and (ii) assets of other customers of the custodian, except for Digital Assets specifically moved into shared accounts by the Company. The obligations of the custodians are laid down in the custodian agreement signed with the Company and directors have carefully reviewed those obligations along with the other terms of the agreements to conclude that in case of insolvency and administration of the custodians, the creditors of the custodians will not have access to the Company segregated accounts. Consequently, directors have assessed that any loss as a result of an insolvency of the custodians is remote and this is further evidenced by the fact that the Company has control over the custodial accounts and can withdraw all the crypto currencies anytime when it deems fit, with or without the custodians' intervention.

• Whether the custodian bears the security risk (i.e., is the custodian obligated to reimburse the client for any crypto currencies lost in a security breach)

The custodians as part of their operations have obtained and maintained insurance coverage in such types and amounts as are commercially reasonable for the custodial services in case of loss of client crypto currencies in event of security breach. This further indicates that the Company owns the crypto currencies and any loss resulting from custodial services provided by the custodian, the latter have measures in place to compensate the Company.

Based on the above, the Directors have made proper assessments of the risk associated when dealing with custodian for the safekeeping of and reporting on the digital assets and have concluded that the terms and conditions as disclosed in the custodian agreements are adequate to reasonably protect the interest of the Company from any loss.

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Excessive risk concentration

Concentration indicates the relative sensitivity of the company's performance to development affecting a particular industry or geographical location. Concentration of risk arises when several financial instruments or contracts are entered into with the same counterparty, or where several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentration of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realize liquid assets. Concentration of foreign exchange risk may arise if the company has a significant net open position in a single foreign currency, or aggregate net open position in several currencies that tend to move together. To avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Under the investment linked contracts, the policyholders own the choice of the portfolio they wish to invest in and consequently bear all the risk and reward associated with their portfolio of investments.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Sensitivity analysis
The table below summarises the impact of increase/decrease in the equity price of the investments on the Company's post-tax result for the year. The analysis is based on the assumption that the prices had increased/decreased by 5%.

	2022	2021
	USD	USD
Financial assets at fair value through profit or loss	**11,530,529**	5,914,603

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The table shows an analysis of the Company's interest rate exposure arising from its financial assets and financial liabilities and are categorised according to the earlier of contractual re-pricing or maturity dates.

	2022			
	Fixed Interest bearing	**Variable Interest bearing**	**Non-Interest bearing**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Financial assets at fair value through profit or loss	1,082,335	-	229,528,248	230,610,583
Cash and cash equivalents	-	-	40,344,344	40,344,344
Other receivables	-	-	2,033,950	2,033,950
Total	1,082,335	-	271,906,542	272,988,877
Financial liabilities				
Other payables	-	-	7,690,924	7,690,924
Bank overdraft	-	-	674,671	674,671
Total	-	-	8,365,595	8,365,595
Total interest sensitivity gap	1,082,335	-	263,540,947	264,623,282

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk (continued)

	2021			
	Fixed Interest bearing	Variable Interest bearing	Non-Interest bearing	Total
	USD	USD	USD	USD
Financial assets				
Financial assets at fair value through profit or loss	1,580,859	-	116,711,208	118,292,067
Cash and cash equivalents	-	-	15,865,172	15,865,172
Other receivables	-	-	1,830,091	1,830,091
Total	1,580,859	-	134,406,471	135,987,330
Financial liabilities				
Other payables	-	-	4,425,524	4,425,524
Bank overdraft	-	-	22,172	22,172
Total	-	-	4,447,696	4,447,696
Total interest sensitivity gap	1,580,859	-	129,958,775	131,539,634

The Company is not exposed to financial instrument with variable interest rates as disclosed above. Hence, fluctuation in market interest rates is not expected to have an impact on the Company.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Accordingly, the value of the Company's financial assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Company will necessarily be subject to foreign exchange risks. The Company holds bank accounts and investments denominated in GBP and EURO among others.

The currency profile of the Company’s financial assets and liabilities is summarised as follows:

	2022		2021	
	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	USD	**USD**	USD	USD
Australian Dollar	**1,936,732**	**-**	2,914	-
Canadian Dollar	**8,564**	**157**	77,181	157
Chinese Yuan	**-**	**10**		
Egyptian Pound	**-**	**-**	28,442	-
Euro	**5,900,947**	**83**	4,492,016	-
Hong Kong Dollar	**10**	**-**	163,623	-
Japanaese Yen	**1,255**	**-**	16	-
Mauritian Rupees	**25,816**	**-**	13,476	-
Pound Sterling	**39,317,177**	**506**	49,350,742	20,685
Singapore Dollar	**4,381**	**-**	-	80
South African Rand	**232,103**	**-**	19,717	2
Swedish krona	**631,523**	**1,074**	1,088,539	-
Swiss Franc	**76,679**	**-**	84,191	6
US Dollar	**224,853,690**	**8,131,486**	80,666,473	4,252,330
	272,988,877	**8,133,316**	135,987,330	4,273,260

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk (continued)

Looking at the main currencies only, a 5% strengthening of the US Dollar against the Pound Sterling and Euro as at 31 December 2022 and 31 December 2021 would have increased/ (decreased) profits by the amounts shown below. This analysis assumes that all other variables remain constant.

	USD / GBP		USD / EUR	
	2022	2021	**2022**	2021
	USD	USD	**USD**	USD
Rate				
Before sensitivity analysis	**1.21**	1.35	**1.07**	1.14
Increase 5%	**1.27**	1.42	**1.12**	1.20
Decrease 5%	**1.15**	1.28	**1.02**	1.08
Amount				
Before sensitivity analysis	**39,317,177**	77,181	**5,900,947**	13,476
Increase 5%	**41,283,036**	81,040	**6,195,994**	14,150
Difference	**1,965,859**	3,859	**295,047**	674
Amount				
Before sensitivity analysis	**39,317,177**	77,181	**5,900,947**	13,476
Decrease 5%	**37,351,318**	73,322	**5,605,900**	12,802
Difference	**(1,965,859)**	(3,859)	**(295,047)**	(674)

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities or policy holders in the event that they surrender their policy earlier than expected.

The Company is exposed to cash redemptions of its policy holders on a regular basis. A policy holder has the option to surrender their policy based on the amount accumulated on the policyholders accounts at the time of redemption calculated in accordance with the Company's constitution.

The Company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Searching for new investor
- Withdrawal for cash deposits
- Disposal of highly liquid assets (i.e. short term, low risk debt investments)

The Company's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. On each initial investment by the policy holders, 3% of the amount invested is kept in cash to meet any liquidity requirement on partial or full surrenders and settlement of operating costs.

To note that the investments in digital assets are classified as intangible assets for financial reporting purposes but the company include those investments in its liquidity management policies.

18. INSURANCE RISK, FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (continued)

The liquidity gap table of the company is as follows:

	2022	**No stated maturity**
Financial assets	**USD**	**USD**
Financial assets at fair value through profit or loss - listed securities	25,231,087	25,231,087
Financial assets at fair value through profit or loss - unlisted securities	205,379,496	205,379,496
Investment in digital assets classified as Intangibles	3,362,898	3,362,898
Other receivables	2,033,950	2,033,950
Cash and cash equivalents	40,344,344	40,344,344
Total	**276,351,775**	**276,351,775**
Financial liabilities		
Other payables	1,278,209	1,278,209
Bank overdraft	674,671	674,671
Amount due to reinsurers	466,532	466,532
Amount due to policyholders	265,142,090	265,142,090
Life Cover	385,908	385,908
Total	**267,947,410**	**267,947,410**
Net surplus	**8,404,365**	**8,404,365**

	2021	No stated maturity
Financial assets	USD	USD
Financial assets at fair value through profit or loss - listed securities	32,580,769	32,580,769
Financial assets at fair value through profit or loss - unlisted securities	85,711,298	85,711,298
Investment in digital assets classified as Intangibles	7,647,207	7,647,207
Other receivables	1,830,091	1,830,091
Cash and cash equivalents	15,865,172	15,865,172
Total	143,634,537	143,634,537
Financial liabilities		
Other payables	1,279,586	1,279,586
Bank overdraft	22,172	22,172
Amount due to reinsurers	374,259	374,259
Amount due to policyholders	136,873,220	136,873,220
Life Cover	314,909	314,909
Total	138,864,146	138,864,146
Net surplus	4,770,391	4,770,391

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. It is the Company's policy to enter into financial instruments with reputable counterparties. The company is exposed to credit risks on other receivables and cash and cash equivalents and the maximum exposure are the amounts as disclosed on the face of the statement of financial position.

19. RELATED PARTY DISCLOSURES

	2022	2021
	USD	USD
Intercells receivable (note 7)		
Core - receivable from other cells	**1,498,351**	1,537,347
Cells - receivable between cells	**144,411**	130,301
	1,642,762	1,667,648
Amount receivable from related parties (note 7)		
Shareholders	**20,622**	10,000
	20,622	10,000
Premium income, administration fees and initial fees payable to core (note 16)		
Cell 1	**124,797**	111,532
Cell 2	**1,101,652**	936,519
Cell 6	**43,726**	62,103
Cell 7	**110,270**	21,945
Cell 10	**-**	2,576
	1,380,445	1,134,675
Directors		
Directors Fees	**50,004**	46,158

Terms and conditions of transactions with related parties

- Outstanding balances at the year-end are unsecured, interest bearing and settlement occurs in cash.
- There have been no guarantees provided or received for any outstanding balances.
- The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the party operates.

20. LIFE ASSURANCE

The life business underwritten under Cell 1 are reinsured at 100% with the reinsurers. The Company, therefore, retains 0% of the sum at risk for the individual and group risk benefits which include life insurance, lump sum disability and critical illness.

21. EVENTS AFTER REPORTING PERIOD

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.