Swan Life Ltd — Annual Report 2014

Dear Shareholder

The Board of Directors is pleased to present the Annual Report of Swan Life Ltd (previously *The Anglo-Mauritius Assurance Society Limited*) for the year ended 31 December 2014.

This report was approved by the Board of Directors on 26 March 2015.

M.E. Cyril Mayer
Chairperson

J.M. Louis Rivalland
Director and Group Chief Executive

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Protect

Introducing One Swan

Over the past five years, we have taken radical steps to transform the Company from an organisation that sells financial products, to a provider of comprehensive financial solutions that help our clients to meet their needs at every stage of life.

The restructuring is now complete.

The Swan Group – known by the brands of Swan Insurance, Anglo-Mauritius, PCA, and Oxygen – is now one, unified by a common purpose, and united with a single brand, SWAN.

This reorganisation has touched every part of SWAN. We have renamed companies and products. We have changed our logo and corporate branding. We have reviewed the way our employees interact with our clients.

This process has also given us the chance to review the vision, mission and values behind everything we do.

Our vision is to be the preferred financial solutions partner for life.

Our mission is to partner with you to secure a better future.

Our values are Passion. People. Performance.

Welcome to SWAN. SWAN For Life.

The Pyramid of Prosperity

We put people at the centre of our business, because we understand that life is not static. It is rich with intimate moments and important experiences that take people on a journey of good fortune and ill fate. We shape our products and introduce innovative ideas to meet the needs of people at every stage. That is why we have positioned ourselves as being a financial partner for life.

Our customers want to know that they and their families are protected and their futures are provided for. Only then can they make real progress towards their vision of prosperity. This is the unifying idea behind our brand strategy. We call it the Pyramid of Prosperity.

Protect. Provide. Progress. Prosper.

"

The Pyramid of Prosperity governs everything we do. Our customers want to know that they and their families are protected and their futures are provided for. Only then can they make real progress towards their vision of prosperity.

Uplifting Service, Together

As the leading financial services provider in Mauritius, SWAN is a household name on the island. Our roots are deeply embedded in Mauritian soil.

The ambitious restructuring programme has been the next evolution in the Company's history. It is an exciting milestone in our business journey and a natural part of SWAN's growth. We are proud to introduce the results in this Annual Report.

The streamlined structure will simplify the customer's experience as they seek to protect, provide, progress and prosper.

We have also embarked on a daring customer service programme that has challenged every one of our staff members to pledge to deliver best-in-class service. Led by the Group Chief Executive, the UP Together programme also encompasses other actions designed to deliver a lasting impression and introduce a culture of respect across the Company. Together, these initiatives will help the Company achieve its vision to become the region's preferred provider of financial services for life.

REBRANDED NAMES

Following the rebranding exercise, companies within the group have been renamed, effective 30 April 2015:

PREVIOUS NAMES	NEW NAMES
Swan Insurance Company Limited	Swan General Ltd
The Anglo Mauritius Assurance Society Limited	Swan Life Ltd
Swan Group Foundation	Swan Foundation
Swan Group Corporate Services Ltd	Swan Corporate Affairs Ltd
Anglo-Mauritius Financial Solutions Ltd	Swan Financial Solutions Ltd
Anglo-Mauritius Investment Managers Ltd	Swan Wealth Managers Ltd
Anglo-Mauritius Stockbrokers Ltd	Swan Securities Ltd
Pension Consultants and Administrators ltd	Swan Pensions Ltd

II
Provide

Chairperson's & Group Chief Executive's Report

CYRIL MAYER //
Chairperson

> The Group is now unified by a single brand and most importantly by a common purpose.

On behalf of the Board, we are pleased to present the Annual Report and Audited Financial Statements of Swan Life Ltd and the Group for the year ended 31 December 2014.

In an election year coupled with an uncertain foreign environment, local economy performed fairly well. Mauritius still managed to grow by an estimated 3.5% in 2014 (+3.2% in 2013). Headline inflation rate fell to 3.2% (3.5% in 2013) and unemployment rate improved slightly to 7.8% (8.0% for 2013). The low inflation environment was the source of a low interest environment with the Monetary Policy Committee holding the key repo rate unchanged at 4.65% throughout 2014. Despite excess liquidity prevailing, the financial/insurance sector conserved its relatively high growth rate of 5.4% (as in 2013).

The Group

After completion of the merger in 2013, the Group has re-focused all its attention and resources in implementing its strategic initiatives in 2014.

At the special meeting of shareholders of the company held on 9 March 2015, the company resolved to change its name from The Anglo Mauritius Assurance Society Limited to Swan Life Ltd. The change of name became effective on 30 April 2015. This was part of the whole rebranding process of the Group. The Group is now unified by a single brand and most importantly by a common purpose. All companies within the Group have been renamed accordingly. This is the culmination of a long process which started in early 2014 and which mobilised significant resources of the Group. We are now known under the single brand SWAN.

2014 was also a milestone in the further improvement of our customer service. As a leader in the financial sector, we knew we had to continue building upon what we were already doing well, upon our own ingredients for success. We had to adopt the optimal strategy to make everything work more harmoniously, to the mutual benefit of our customers and our business. Hence we teamed up with a world-famous organisation which has developed unique and proven methods in helping companies optimise their customer service, in order to become even more prominent in that area.

Every single employee across all departments participated in a suite of workshops focused on identifying service levels to be improved. This exercise was successfully carried out with enthusiasm and a sense of purpose by our employees, working together as one team and heading in the same direction. We are currently implementing a new service structure and will continue to unfold service initiatives during the forthcoming years. We are at the beginning of a long journey and feel confident we are on the right track to offering a unique and outstanding approach to customer service.

The Group also reviewed its vision, mission and values. Workshops were held to enable employees to better interpret and live the Group's values. These values are the very principles and standards on which we build our organisation's future. They also help to shape the behaviour of each employee. In order for these values to truly permeate our activities, a Values Training Program was designed to inculcate a value-based environment.

A set of guidelines was communicated to our employees to equip them with a unified understanding of the behaviours which are consistent with the Group's core values. These written guidelines also serve in clarifying and better managing expectations in living our organisation's values.

Operations

For individual business, the competition landscape in the insurance industry has remained fairly constant during 2014 and sales grew satisfactorily despite an economic environment marked by continuing low interest rates, low GDP growth and the continued volatility of capital markets. In view of the challenging market conditions, the returns on the capital markets during the year have not been as good as the previous year. For example, the local equity market has returned 1.8% compared to 24.4% in 2013. This fairly low return coupled with the low interest rate have in turn dampened the returns on our Unit-Linked Funds.

In the light of these market circumstances we accelerated our efforts to improving business value by further optimising our operation and management systems. Substantial progress was made in the digitalisation of our individual life insurance policies. We have also been further improving our processes for seamless service and cost savings.

Tied agents remain an important distribution channel. The enlarged structure of the sales distribution channels delivered another successful performance in the individual life business sector. The company continues to focus on the professional development of the sales team through constant refresher courses

Chairperson's & Group Chief Executive's Report (Cont'd)

J.M. LOUIS RIVALLAND //
Director and Group Chief Executive

Surplus for the year has increased by 10% from Rs1,826M in 2013 to Rs2,008M in 2014.

and seminars, resulting in improved persistency ratios from our agency force. At the same time our sales representatives continue to offer optimal consulting services and build up the relationship with our customers. Through our different distribution channels we do help clients plan for their retirement and financial needs using our proven financial planning methodology. This needs-based selling approach remains a unique value proposition to our customers.

On the corporate side, further to the coming into force of the Private Pension Schemes Act, every pension scheme has to be set up as a Trust. For most of our clients, it is not viable nor practical for them to set up their own trusts. Therefore, we have been working relentlessly to set up a Master Trust that will regroup the pension schemes for these clients. We are pleased to report that following more than a year's work and discussion with the FSC, our first Master Trust "The Anglo-Mauritius Private Pension Scheme (Defined Contribution)" has been licensed. All our existing pension schemes are being progressively transferred to the new trust, a long process which is going to span over several months. We have also started working on our second Master Trust which will regroup pension schemes offering Defined Benefit promises.

In terms of operational result, in view of the low inflationary environment, salary increases have been fairly muted during the year so that group pension premium levels have increased moderately by around 4%.

Overall, the long term business posted gross premium of Rs2,599M, almost at par with last year's premium of Rs2,541M. Despite the difficult conditions, investment income has increased by around 11% so that the total surplus for the year has increased by 10% from Rs1,826M in 2013 to Rs2,008M in 2014. The Life Assurance Fund has exceeded Rs30bn representing an increase of 9%. During these challenging times, we endeavour to remain very close to our clients to reassure them and provide them with the necessary advice.

Main subsidiaries

Swan Wealth Managers Ltd, holding licences of investment management, distributor of financial products and CIS manager, pursued its growth impetus. The company's profits surpassed the hallmark of Rs100M. This was the result of both revenue enhancing measures as well as a cost containment exercise. Revenue enhancing measures involved mostly heightening the asset under management through both higher on the ground presence as well as tailored investment solutions to investors. Strategically there were also notable developments around three novel axes of growth.

Swan Securities Ltd (SSL) - 2014 was a year of recognition for SSL. The company, which is the stockbroking arm of the Group, celebrated its silver anniversary along with the SEM, both launched in 1989 and registered remarkable total income of Rs43.4M with net profits of Rs16.6M. Business development was a key focus of 2014. New clients were onboarded during the year, both foreign and local institutions and particular dedication was also provided in growing the retail base.

Internationally, our investments in Seychelles and Comores have been profitable and faring satisfactorily.

We thank our employees for their continued dedication and hard work as well as all our business partners and agents for their support. We also wish to thank all our customers for their loyalty. Our appreciation also goes to the Board for their guidance.

M.E. CYRIL MAYER
CHAIRPERSON

J.M. LOUIS RIVALLAND
GROUP CHIEF EXECUTIVE
AND DIRECTOR

Directorate

LOUIS RIVALLAND //
Group Chief Executive

Born in 1971, Louis Rivalland holds a Bachelor's degree in Actuarial Science and Statistics and is a Fellow of the Institute of Actuaries (UK). He is currently the Group Chief Executive of Swan Insurance and The Anglo-Mauritius Assurance.

He was part of the management team of Commercial Union in South Africa from 1994 to January 1997 and conducted several assignments for Commercial Union in Europe. From February 1997 to July 1999 he worked as Actuary and Consultant at Watson Wyatt Worldwide developing the investment function as well as issues relating to healthcare.

In August 1999, he joined the Swan Group as Consultant to Group Chief Executive. He was involved in the review and setting up of processes and systems for the pensions, investments and life insurance operations and was responsible for the actuarial and consultancy work for the pension schemes.

From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius Assurance. In January 2005 he has been appointed Group Chief Operations Officer responsible for the operations of Swan Insurance and The Anglo-Mauritius Assurance, and member of the Executive Management Committee of the Swan Group. Since January 2007 he is the Group Chief Executive of the Swan Group.

He has been the President of the Joint Economic Council and of the Insurers' Association of Mauritius. He is currently the Chairman of Standard Bank (Mauritius) Limited. He has played an active role in the development of risk management, investments, insurance and pensions in Mauritius having chaired or been part of various technical committees in these fields.

Directorships in other listed companies:
- *Air Mauritius Ltd*
- *ENL Commercial Ltd*
- *ENL Land Ltd*
- *Ireland Blyth Ltd*
- *New Mauritius Hotels Ltd*
- *Swan Insurance Company Ltd*

GOPALLEN MOOROOGEN //
Independent Non-Executive Director

Born in 1959, Gopallen Mooroogen is a Fellow of the Association of Chartered Certified Accountants (UK) and also holds an MBA (Wales).

Senior Executive – Mass Market – Mauritius Telecom

Chairperson of The Stock Exchange of Mauritius Ltd

Director – Central Depository & Settlement Co. Ltd

Directorships in other listed companies:
- Swan Insurance Company Ltd

PIERRE DINAN G.O.S.K. //
Independent Non-Executive Director

Born in 1937, Pierre Dinan holds a BSc. (Econ.) from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was a Senior Partner at De Chazal du Mée (DCDM) for 20 years until he retired in June 2004. He was also a Director of Multiconsult, a global business management services company for 12 years until 2004. He presently acts as a Company Director for a number of public companies in the manufacturing and financial services sectors respectively. He was the founder Chairman of the Mauritius Institute of Directors. He is an independent member of the Monetary Policy Committee set up under the Bank of Mauritius Act.

Directorships in other listed companies:
- Swan Insurance Company Ltd

Directorate (Cont'd)

VICTOR C. SEEYAVE //
Independent Non-Executive Director

Born in 1962, Victor Seeyave holds a B.A Economics (UK) and an MBA (USA).

He is currently the Managing Director of Altima Ltd and previously held several management positions in the food division of the Innodis Group

Directorships in other listed companies:
- Innodis Limited
- Swan Insurance Company Ltd

CYRIL MAYER //
Non-Executive Chairperson

Born in 1951, Cyril Mayer holds a Bachelor in Commerce (South Africa) and is a member of the Institute of South African Chartered Accountants.

He is presently the Managing Director of Terra Mauricia Ltd. He is a member of the Mauritius Sugar Syndicate and the Mauritius Sugar Producers Association's Executive Committees. He has also served on the Joint Economic Council, the Mauritius Chamber of Agriculture, the Mauritius Sugar Industry Research Institute and the Mauritius Employers' Federation.

Directorships in other listed companies:
- Terra Mauricia Ltd.
- United Docks Ltd.
- Swan Insurance Company Ltd

HECTOR ESPITALIER-NOËL //
Non-Executive Director

Born in 1958, Hector Espitalier-Noël is a member of the Institute of Chartered Accountants in England and Wales. He worked for Coopers and Lybrand in London and with De Chazal du Mée in Mauritius. He is presently the Chief Executive of ENL Limited. He is also Chairman of New Mauritius Hotels Ltd and Bel Ombre Sugar Estate Ltd. He is also a Past President of Rogers and Company Limited, The Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.

Directorships in other listed companies:
- ENL Commercial Limited
- ENL Land Ltd
- New Mauritius Hotels Ltd
- Rogers and Company Ltd
- Swan Insurance Company Ltd

HENRI HAREL //
Non-Executive Director

Born in 1960, Henri Harel is an Associate member of the Institute of Chartered Secretaries and Administrators. He is currently the Group Chief Finance Officer and a Management Committee Member of Terra Mauricia Ltd.

Directorships in other listed companies:
- Terra Mauricia Ltd.
- Swan Insurance Company Ltd

Directorate (Cont'd)

PHILIPPE ESPITALIER-NOËL //
Non-Executive Director

Born in 1965, Philippe Espitalier-Noël holds a BSc in Agricultural Economics from the University of Natal in South Africa and an MBA from the London Business School. He worked for CSC Index in London as a management consultant from 1994 to 1997. He joined Rogers in 1997 and was appointed Chief Executive Officer in 2007.

Directorships in other listed companies:
- *Air Mauritius Ltd*
- *Rogers and Company Limited*
- *Swan Insurance Company Ltd*

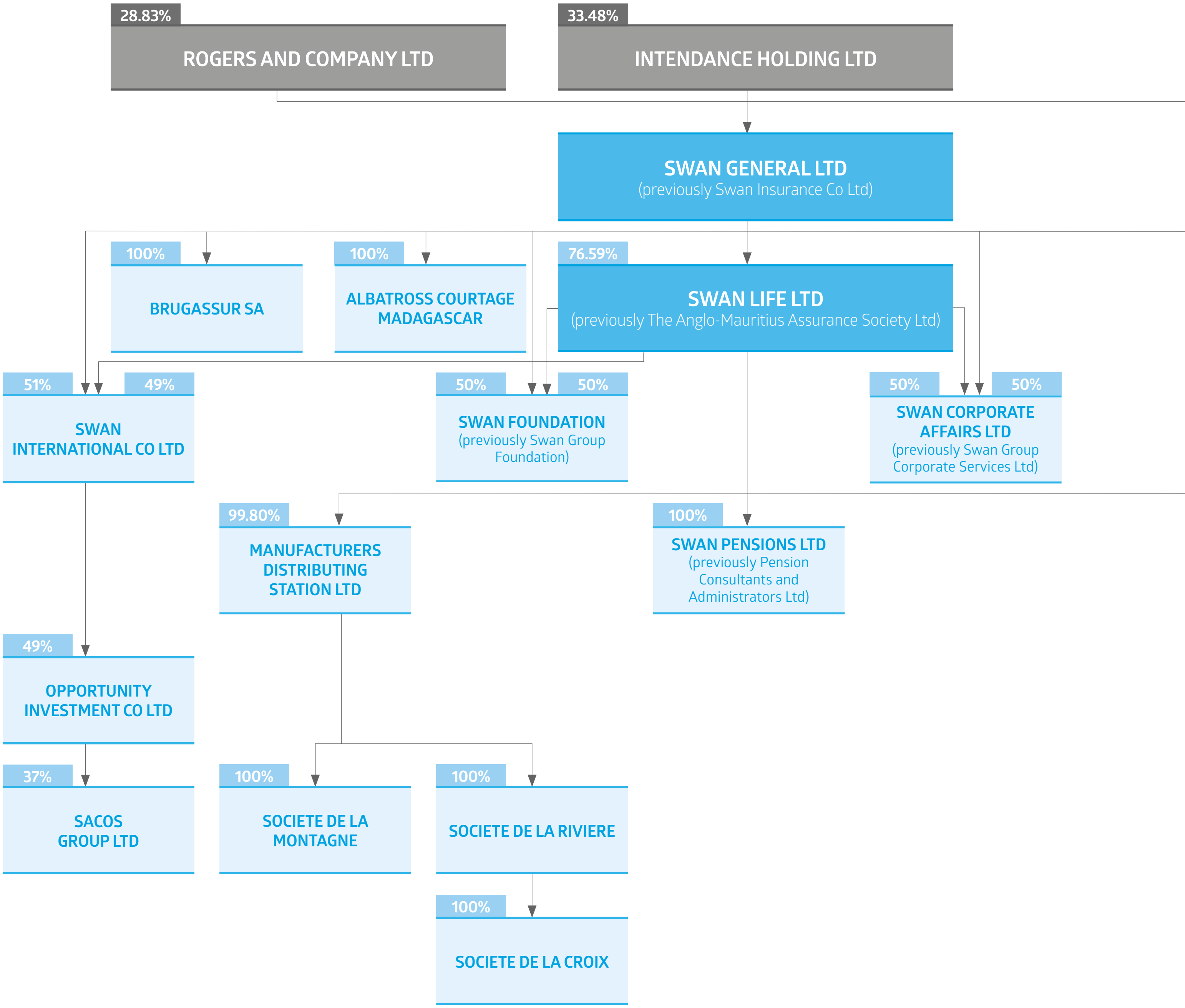
RENÉ LECLÉZIO //
Non-Executive Director

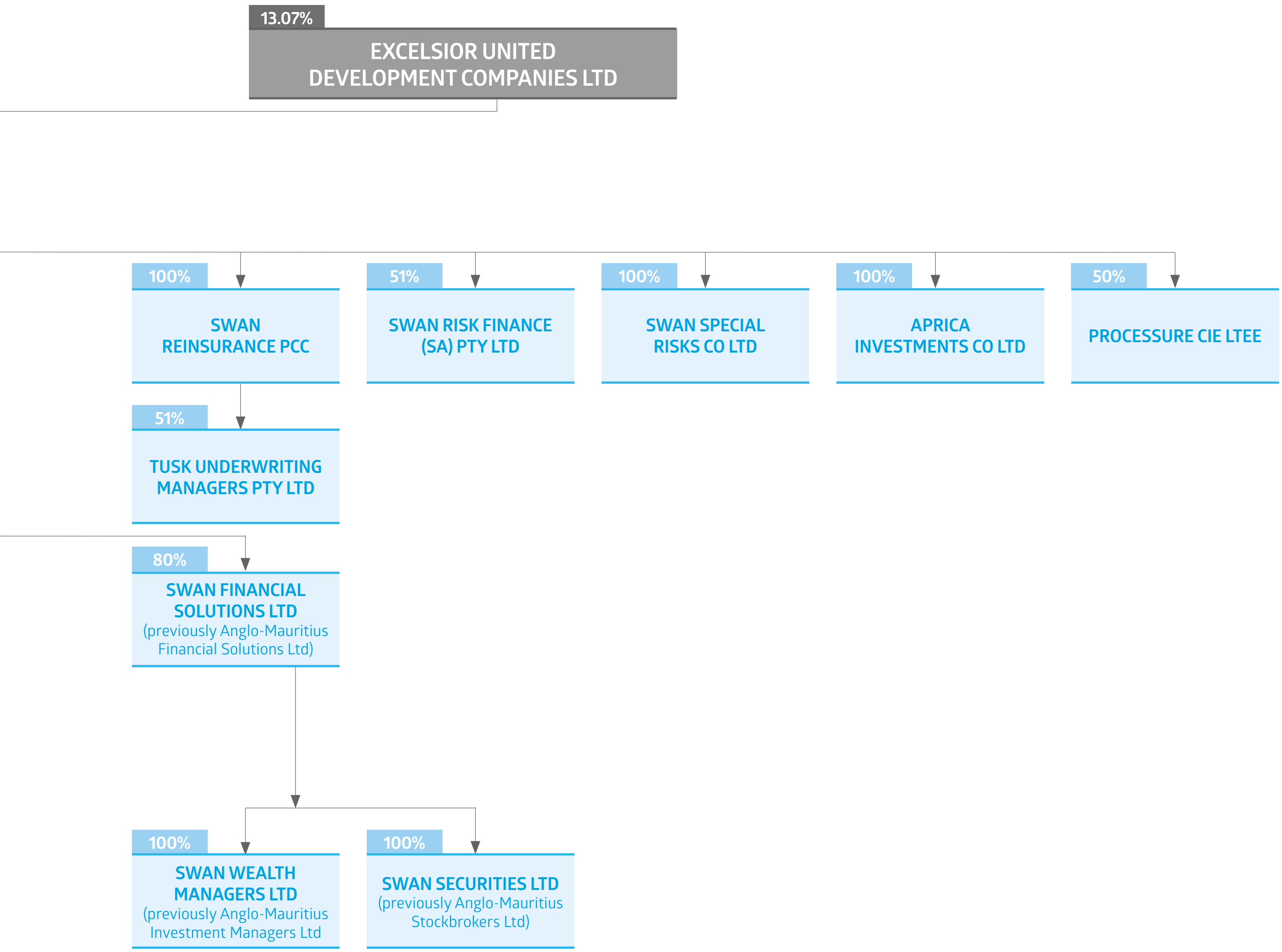
Born in 1956, René Leclézio holds a BSc in Chemical Engineering and an MBA from the London Business School. Before being appointed CEO of Promotion and Development Ltd in 1987, he worked in London as consultant engineer in the oil and gas industry and with Lloyds Merchant Bank as Assistant Manager in Project Finance.

Directorships in other listed companies:
- *Caudan Development Ltd*
- *Promotion and Development Ltd*
- *Swan Insurance Company Ltd*

For good times,
for challenging times,
for all time.

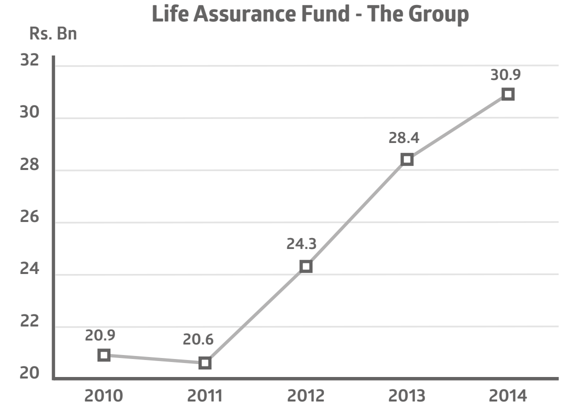
Group Structure

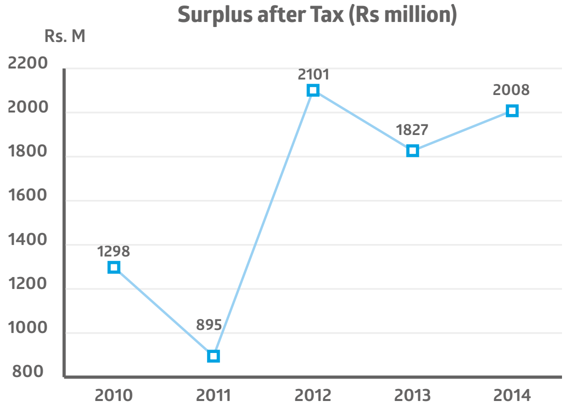



13.07%
EXCELSIOR UNITED DEVELOPMENT COMPANIES LTD
100%
SWAN REINSURANCE PCC
51%
SWAN RISK FINANCE (SA) PTY LTD
100%
SWAN SPECIAL RISKS CO LTD
100%
APRICA INVESTMENTS CO LTD
50%
PROCESSURE CIE LTEE
51%
TUSK UNDERWRITING MANAGERS PTY LTD
80%
SWAN FINANCIAL SOLUTIONS LTD (previously Anglo-Mauritius Financial Solutions Ltd)
100%
SWAN WEALTH MANAGERS LTD (previously Anglo-Mauritius Investment Managers Ltd
100%
SWAN SECURITIES LTD (previously Anglo-Mauritius Stockbrokers Ltd)

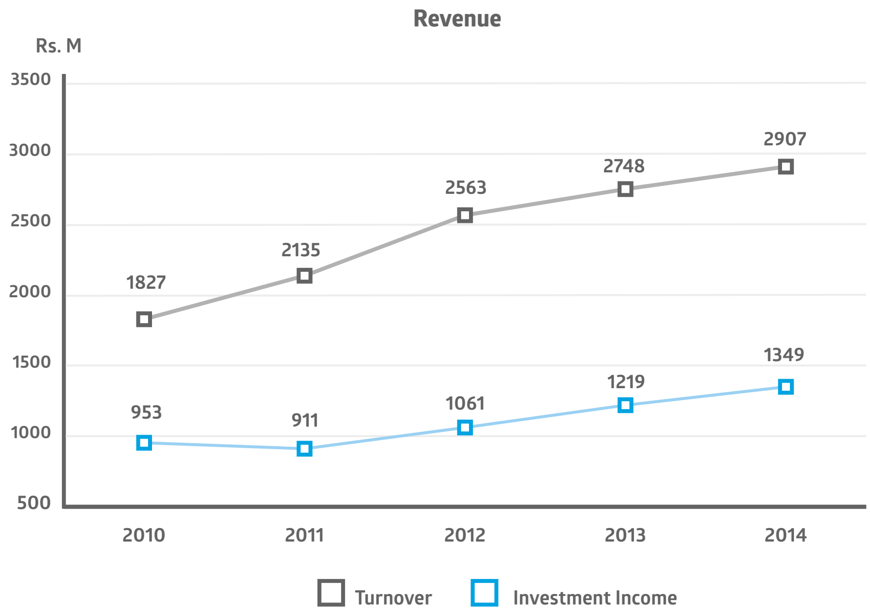
Key Numbers

Financial Highlights	2014 Rs'000	2013 Rs'000
Gross Insurance Premiums	**2,598,749**	2,541,153
Net Insurance Premiums	**2,444,064**	2,363,115
Surplus Before Tax	**2,011,174**	1,834,055
Dividends Paid	**110,026**	110,026
LAF	**30,727,028**	28,303,188
Dividends per share	**Rs 41.80**	Rs 41.80
Earnings per share	**Rs 42.67**	Rs 34.16



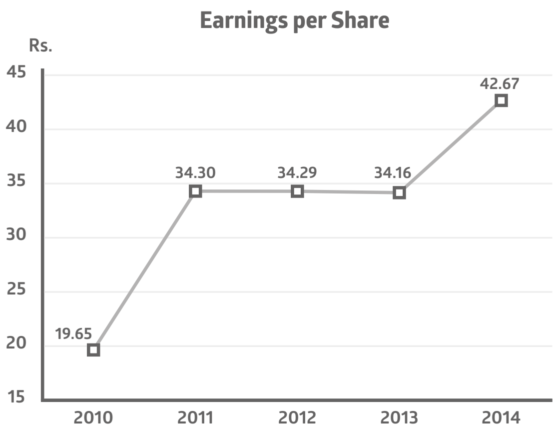


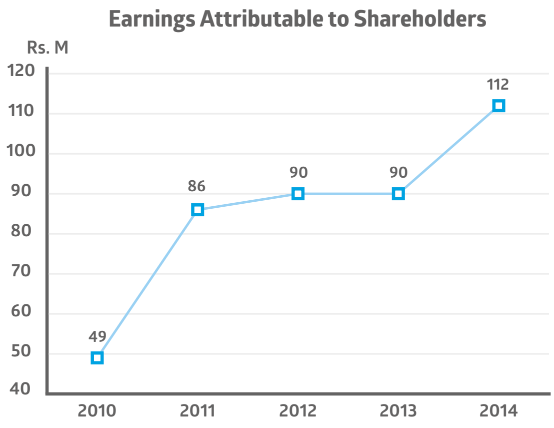
Total Assets 31st December 2014:
Rs. 32.2 Billion
Increased by Rs. 2.6 Billion during the year



CSR

Rs. 7.2 M donated to 43 NGOS in 2014





Senior Management Team

ALAN GODER //

Pension Consultants & Administrators Ltd, Pensions, Claims, Fund Administration and Group Systems and Processes

Alan Goder, born in 1967, worked in the Actuarial Department of The Anglo-Mauritius as Actuarial Clerk from February 1988 to April 1989. From May 1989 to December 1995, he was employed as Technical Supervisor in the Life Department of The Albatross Insurance Company Ltd.

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

From July 2001 to October 2004, he was the Chief Executive Officer of Pension Consultants & Administrators Ltd.

He joined The Anglo-Mauritius as Senior Manager in November 2004 where he oversees the Claims and Fund Administration departments. He is also responsible for managing Pension Consultants & Administrators Ltd. Since August 2009, Alan has been appointed to oversee the pension department of Anglo-Mauritius.

Alan is also Senior Manager to the Group Systems & Processes department.

His key areas of specialisation are pensions administration and consulting.

MAXIME REY //

Group Finance, Loans and Legal

Maxime Rey, born in 1952, started an accounting career in 1973 in Mauritius, first in Auditing (Kemp Chatteris/ Touche Ross & DCDM/Coopers & Lybrand), and then in the Sugar Industry (Deep River Beau Champ S.E.).

Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992.

Back in Mauritius in 1993, he joined the Swan Group, one of the market leaders in the insurance sector in Mauritius, where he is presently holding the position of Senior Manager - Group Finance, whilst also heading the Loans and Legal Departments of the Group.

He serves as Director of a number of companies in the Commercial, Financial, Investment, Sugar and Tourism sectors, and is a member of various Board Committees.

Directorships in other listed companies:
- *Belle Mare Holding Ltd*
- *Constance La Gaieté Company Limited*
- *Lux Island Resorts Ltd*
- *Mauritius Freeport Development Company Limited*

PATRICE BASTIDE //

B.Sc., M.Sc. - International Development

Patrice Bastide, born in 1963, heads the Group's development into markets outside of Mauritius. Between 2006 and 2010, during his previous tenures as Marketing Manager of Albatross Insurance and later General Manager, CIM Life, Patrice developed a thorough knowledge of the various sub-regional African insurance markets and set up an extensive network of relationships with insurance operations and regulatory bodies. He has actively contributed in elaborating and implementing the Swan Group's expansion strategy since 2011 and is a Board Director of a few international subsidiaries. Patrice holds a M.Sc. in Applied Mathematics, USA and is a former post-graduate Italian Government scholarship winner.

ROBERT GALLET //

Individual Business Marketing & Development, Group Communication and Marketing Research, Properties

Robert Gallet, born in 1951, worked as assistant to Divisional Accountant for eight years in the Pensions Business of Southern Life in South Africa. He then worked for six years in the Individual Life Business of Southern Life in South Africa where he held the position of Manager and Senior Manager.

He joined The Anglo-Mauritius in March 1987 whereby he has spent eighteen years in Pensions and Individual Life Business. He holds the position of Senior Manager responsible for the marketing of the Individual Business including the overall responsibility of its sales force. He manages the communication and marketing support function of the Swan Group and is responsible for the administration of the immovable property portfolio of the Company and its subsidiaries.

His key areas of expertise are administration and marketing.

Senior Management Team (Cont'd)

SATTAR JACKARIA //
B.Sc. (Hons.), F.I.A - Actuarial

Sattar Jackaria, born in 1977, joined the Actuarial Department of The Anglo-Mauritius as Actuary in October 2006 and is responsible for the day-to-day running of the department. In January 2011, he was also assigned the responsibility for the Bank Assurance department. Other than these core activities, he is also responsible for product design and provides technical assistance to other departments of the Group. In particular, he offers his expertise to some general insurance lines of business such as Motor & Health.

Following completion of his degree at Warwick University and prior to joining the Company, he has been working for many years in London for a leading actuarial consulting firm. His key areas of specialisation include pensions business and actuarial consulting.

NITISH BENI MADHU //
B.Sc. (Hons.), M.Sc. - Investments

Born in 1979, Nitish Beni Madhu holds an honours degree in Economics and a Masters of Arts in Economics from the University of Ottawa (Canada).

He has more than 10 years' experience in the finance industry and has expertise in asset management, investment advisory and insurance. He also holds directorship positions on the Stock Exchange of Mauritius & the Kibo Fund and regularly lectures at the University of Mauritius in Economics & Finance. He joined Anglo-Mauritius Investment Managers Ltd (AMIM) in 2005 and now heads a team of Fund Managers and is responsible for the management of AMIM and Investment projects of the Swan Group.

VISHNOO LUXIMAN //
M.Sc. – Group Human Resources

Vishnoo Luximan, born in 1962, worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (DRBC) as Assistant Personnel Manager/Public Relations Officer in 1988. He was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990.

He was appointed Human Resources Manager of DRBC in 2002 and, as such, provided advice and services to 7 companies of the CIEL Group, including TPC Ltd, found in Tanzania. He cumulated the responsibility of Acting Secretary of the Mauritius Sugar Producers' Association with that of Human Resources Manager of DRBC from September to December 2005.

He joined the Group in 2006.

Management Team

1 **ISHWARI MADHUB, B.Sc. (Hons.), F.C.C.A., M.B.C.S, M.B.A //**
Systems & Processes

2 **GAËL ALIPHON, A.C.I.I. //**
Individual Business

3 **KARINE MOREL, B.Com, F.C.C.A., M.I.P.A. (M) //**
Finance

4 **ALAIN BANCILHON //**
Group Pension Business Development

5 **KRYSTEL HEE KWUN FONG, DIP CII, LLB (Hons.) //**
Claims

6 **NAVINDRANATH BHUGALOO, A.C.I.I //**
Pension Consultants & Administrators Ltd and Pensions (DC)

7 **PATRICK DE MARCY CHELIN //**
Loans

8 **VEENAYE BUSGEETH, F.C.C.A. //**
Corporate Finance

9 **SHAILEN J. SOOBAH, F.C.C.A., M.B.A., DIP C.I.I. //**
Group Company Secretary, Business Support – Corporate Office

10 **DAVE LUCHMUN //**
Group Facilities

11 **HERBERT MADANAMOOTHOO, MAÎTRISE DE DROIT //**
Legal & Compliance, M.L.R.O.

SONIA KALACHAND-CANABADY, B.A. (Hons.), M.A. //
Group Human Resources (Absent)

NEERAJ UMANEE, B.A. (Hons.) //
Anglo-Mauritius Stockbrokers Ltd. (Absent)

MARIO BUTTIE, F.C.C.A. //
Fund Administration (Absent)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II
Progress

CSR Disbursements 2014

> The promotion of health is important for Swan Group and it leaves no stone unturned to provide the best medical insurance protection.

2014 was a very rich year for the Swan Group on the social front. Swan Group Foundation supported 43 NGOs for a total of Rs 7, 2 million. Educational and training projects (42%) remain the primary focus of the Group, followed by socio-economic development initiatives (22%), health (16%), leisure and sports (16%), environment (4%)

The promotion of health is important for Swan Group and it leaves no stone unturned to provide the best medical insurance protection. In this vein, it has supported 7 NGOs working in this field to help children and adults who suffer from cancer, diabetes or who are handicapped. In 2014, Swan Group Foundation provided financial support to the following NGOs- Link to Life, T1 Diams, Muscular Dystrophy Association, Etoile d'Espérance, Centre de Solidarité, Centre d'Accueil de Terre Rouge and Chrysalide.

Link to Life has been set up since 2002 by a small group of ladies including cancer survivors. It provides support and counseling to cancer patients and their families. Thousands of Mauritians suffer from different types of cancer.

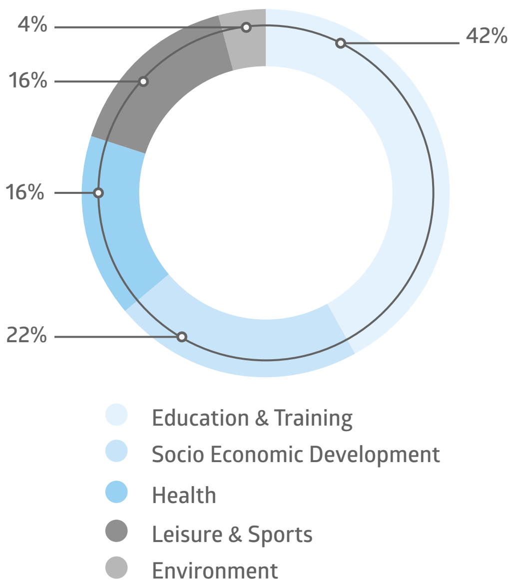
T1 Diams was set up in 2005 when it was found that people suffering from Type 1 Diabetes – which is up to now incurable – didn't receive appropriate care. T1 Diams provides the help needed for those Mauritians so that they can live a normal life. However, the association needs funds to continue its fantastic work.

The Muscular Dystrophy Association represents the interests of persons affected by muscular dystrophy. Unfortunately, it is an incurable disease. However, the charitable institution's main objective is to enhance the quality of life of muscular dystrophy sufferers, giving them optimal access to medical, educational and social care and other appropriate services, so that they can live in dignity.

Etoile d'Espérance is an association for women suffering from alcoholism, which was founded in 1997. A house in Moka was inaugurated in 2006 to welcome during the day, from Monday to Friday (9h to 17h), women with drinking problems. The Centre can also host 15 women (day and night) from one to three months. A group therapy and an after care are amongst the solutions proposed for these women in their rehabilitation process.

Centre de Solidarité pour une Nouvelle Vie is an NGO which offers counseling and psychological support to drug addicts. The Centre is found in Solitude and not only tries to rehabilitate but also to prevent people, especially the young ones, to get involved in drugs and ruining their lives.

CSR Disbursement 2014



Centre d'Accueil de Terre Rouge was founded in 1986. It helps people suffering from drug and alcohol addiction and tries to rehabilitate and reintegrate them back in the society. The Swan Group Foundation supported financially the NGO last year so as to help them pursue the great work.

Chrysalide, at Bambous, is a residential rehabilitation centre for substance users (drugs or alcohol), including those who are involved in sex work and/ or who are HIV-positive. The organization welcomes women and their children and supports them through a therapy program that evolves in three phases: detoxification, psychotherapy and vocational and social rehabilitation.

Moreover as part of its community investment activities, Swan Group Foundation held mobile blood collection service on the 13th and 14th June 2014. This activity was launched in the event of the International Blood Donors Day, with the collaboration of the Blood Donors Association. The mobile blood collection held in the immediate vicinity of Swan Group branches, located in Port-Louis, Ebene and Flacq has helped gathered 135 pints of Blood.

These partnerships remain close to the heart of the Group in order to build a better future for Mauritius.

Corporate Governance Report 2014

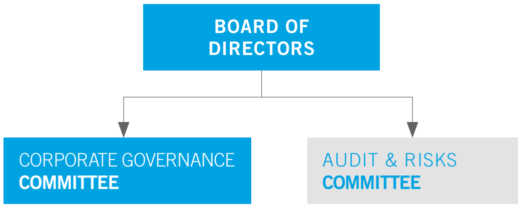
1. COMPLIANCE STATEMENT

The Company and the Group are committed to attaining and sustaining the highest standards of corporate governance with the objective of enhancing shareholders' value and having regard to stakeholders at large.

The Boards of directors ensure that the principles of good governance are followed and applied by the Company and throughout the Group. Except as specifically mentioned, the Company and the Group have complied in all material respects with the Code of Corporate Governance.

2. GOVERNANCE STRUCTURE

The Board has adopted the following structure to help it discharge its obligations:



Each subsidiary has its own Board which is different from the Board of The Anglo Mauritius Assurance Society Limited. However, the Corporate Governance Committee and the Audit & Risks Committee oversee the governance, audit and risk issues of all the subsidiaries.

3. BOARD

3.1 COMPOSITION OF THE BOARD

Directors' profile appear on Pages 16 to 20 of the Annual Report.

There is a clear separation of the roles of the Chairperson and the Group Chief Executive. The Chairperson leads the Board, ensuring that each director is able to make an effective contribution. He monitors, with the assistance of the Company Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear. The Group Chief Executive has the day-to-day management responsibility for the Group's operations, implementing the strategies and policies agreed by the Board.

The non-executive directors constructively challenge and help develop proposals on strategy, scrutinise the performance of Management in achieving objectives and monitor the reporting of performance.

The independent non-executive directors bring a wide range of experience and skills to the Board. They are free from any business or other relationships which would materially affect their ability to exercise independent judgement, constructively dissent and are critical by-standers. Independent non-executive directors constitute the majority of the Audit & Risks Committee and the Corporate Governance Committee.

All directors have access to the advice and services of the Company Secretary. Where necessary in the discharge of their duties, directors may seek independent professional advice at the Company's expense.

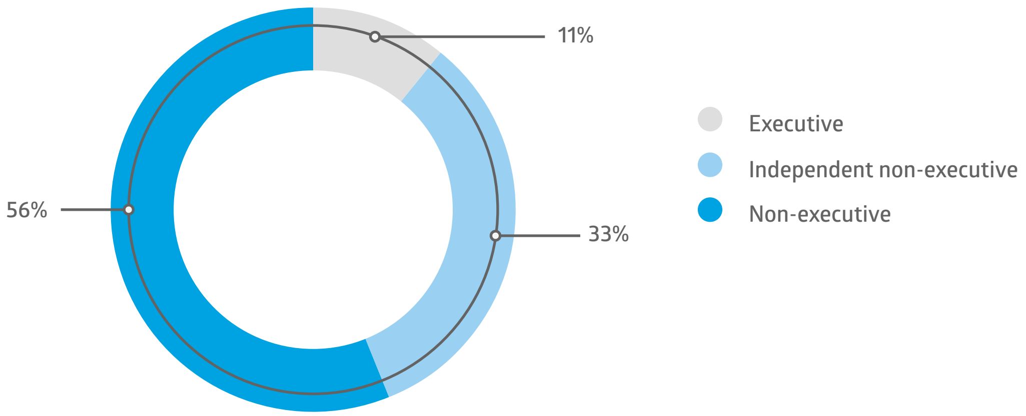
As part of the induction process, newly appointed directors receive an 'Induction Pack' containing key information on the Group and the sector in which it operates.

The composition of the Board fully complies with the requirements of the Insurance Act 2005 which requires that all boards shall be composed of not less than seven natural persons, of which 30% shall be independent directors. All new Board appointments are subject to the approval of the Financial Services Commission.

During the year, the Board was composed of the following directors:

Executive	Louis Rivalland (Group Chief Executive)
Independent non-executive	Pierre Dinan
	Victor Seeyave
	Gopallen Mooroogen
Non-executive	Cyril Mayer (Chairperson)
	Henri Harel
	Hector Espitalier-Noël
	Philippe Espitalier-Noël
	René Leclézio

Board Composition



Corporate Governance Report 2014 (Cont'd)

3.2 ROLE OF THE BOARD

The Board leads and controls the Company and is the link between shareholders and the Company. It is also the focal point of the corporate governance system and is ultimately accountable for the performance of the affairs of the Company. Compliance is equally the responsibility of the Board, which ensures that the Company complies with the full set of laws, rules and regulatory framework in which it operates.

The Board is responsible for organising and directing the affairs of the Company in the best interests of shareholders, in conformity with legal and regulatory framework, and consistent with its constitution and best governance practices.

3.3 ELECTION OF DIRECTORS

The Code of Corporate Governance provides for directors to be elected (or re-elected as the case may be) every year at the annual meeting of shareholders. However, the Board does not consider this recommendation to be appropriate within the context of the Company. In addition, the constitution of the Company does not make any provision for such a procedure.

The Board believes that the complexity of the Company's operations is such that sufficient time should be allowed for an independent director to be reasonably conversant with its technicalities. This applies particularly to those Directors who are members of the Audit and Risks Committee. Re-election of directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.

3.4 BOARD APPRAISAL

The Board is composed of directors coming from different sectors of the economy. Each director has drawn from his professional background and competence in positively contributing to the Board's activities.

A Board evaluation exercise relating to the performance of the Board, its procedures, practices and administration was carried out in October 2014. The results of the Board Evaluation were discussed at the Corporate Governance Committee and the Board. Areas of strength were highlighted whilst areas for improvement were also discussed. Measures to address all areas of improvement have been initiated.

4. BOARD COMMITTEES

4.1 THE AUDIT AND RISKS COMMITTEE

The Committee consists of four non-executive directors, three of whom are independent including the Chairperson. The current members are:

Mr Peroomal Gopallen Mooroogen (Chairperson) (independent)

Mr Pierre Dinan (independent)

Mr Victor Seeyave (independent)

Mr Henri Harel (non-executive)

The Committee meets at least four times a year. The Group Chief Executive attends unless a conflict of interest is likely to arise. Members of the Committee have adequate financial awareness.

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

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

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

The Audit and Risks Committee's focus is on:

(i) the reliability and accuracy of the financial information provided by management to the Board and other users of financial information;

(ii) the functioning of the internal control and the risk management systems;

(iii) the functioning of the internal auditors;

(iv) the risk areas of the operations to be covered in the scope of the internal and external audits;

(v) recommending the appointment/re-appointment of internal and external auditors to the Board;

(vi) any accounting or auditing concerns identified as a result of the internal or external audits;

(vii) compliance with legal and regulatory requirements with regard to financial matters;

(viii) the scope and results of the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;

(ix) the nature and extent of non-audit services provided by the external auditors; and

(x) the financial information to be published by the Board.

During the year, the Committee met four times and the main issues discussed and deliberated on were:

(i) Yearly audited accounts – consideration and recommendation to the Board for approval;

(ii) Abridged quarterly accounts - consideration and recommendation to the Board for approval and publication;

(iii) Internal audit – consideration and approval of internal audit reports;

(iv) Regulatory – taking cognizance of the reports of the Financial Services Commission following routine inspections;

(v) Audit fees - consideration and recommendation to the Board for approval.

4.2 THE CORPORATE GOVERNANCE COMMITTEE

The Committee consists of four non-executive directors, three of whom are independent. The current members are:

Mr Cyril Mayer (Chairperson) (non-executive)

Mr Pierre Dinan (independent)

Mr Peroomal Gopallen Mooroogen (independent)

Mr Victor Seeyave (independent)

The Group Chief Executive is in attendance.

The Corporate Governance Committee's terms of reference (which comprise areas covered by a Nomination and Remuneration Committee) include but are not limited to:

(i) determining agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;

(ii) assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;

(iii) putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;

(iv) making recommendations to the Board on all new Board appointments; and

(v) determining the level of emoluments of executive, non-executive, independent non-executive directors and Board Committee members.

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

Corporate Governance Report 2014 (Cont'd)

5. BOARD AND COMMITTEE ATTENDANCE

		Board	Audit & Risks Committee	Corporate Governance Committee
	Number of meetings held	4	4	1
Executive	Louis Rivalland	4	4*	1*
Independent non-executive	Pierre Dinan	4	3	1
	Victor Seeyave	3	2	1
	Gopallen Mooroogen	4	④	1
Non-executive	Cyril Mayer	④	-	①
	Henri Harel	4	4	-
	Hector Espitalier-Noël	3	-	-
	Philippe Espitalier-Noël	2	-	-
	René Leclézio	4	-	-

○ Chairperson
* in attendance (not a member)

6. DIRECTORS' INTERESTS AND DEALING IN SHARES

The Company Secretary maintains a Register of Directors' Interests, in accordance with the Companies Act 2001. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, the interest should be reported to the Company Secretary in writing.

The Register of Directors' Interests is updated with every transaction entered into by the Directors and persons closely associated with them. All new Directors are required to notify in writing to the Company Secretary their holdings in the Company's shares. According to the Company's Constitution, a Director is not required to hold shares in the Company.

The Directors confirm that they have followed the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

Directors' interests in shares were as follows:

Directors	In the Company		
		Direct	Indirect
	No. of Shares	%	%
M.E. Cyril Mayer	-	-	0.008
J.M. Louis Rivalland	13229	0.503	-
Philippe Espitalier-Noël	-	-	1.354
Hector Espitalier-Noël	-	-	0.899

Directors' dealings in shares of the Company were as follows:

Director	Purchased No. of shares
Louis Rivalland	1500

7. DIRECTORS' REMUNERATION

Remuneration and benefits received by the directors during the year were as follows:

	From the Company	From Subsidiary companies
	Rs.	**Rs.**
Non-Executives	**783,000**	36,000
Executives	**5,821,479**	6,284,285

The Directors' fees and remuneration are in accordance with market rates. They have not been disclosed on an individual basis, as recommended by the Code of Corporate Governance, due to the sensitive nature of the information.

8. SENIOR MANAGEMENT PROFILE

A profile of each member of the senior management team appears on Pages 26 to 29 of the annual report.

Corporate Governance Report 2014 (Cont'd)

9. SHAREHOLDERS

9.1 HOLDING STRUCTURE AS AT 31 DECEMBER 2014

As at 31 December 2014, Swan Insurance Company Ltd held 76.59% of the Company. No other single shareholder held more than 5% of the Company.

9.2 COMMON DIRECTORS

The following directors were common to the Company and Swan Insurance Company Ltd:

DIRECTORS	THE ANGLO MAURITIUS ASSURANCE SOCIETY LIMITED	SWAN INSURANCE COMPANY LTD
Louis Rivalland	✓	✓
Pierre Dinan	✓	✓
Victor Seeyave	✓	✓
Gopallen Mooroogen	✓	✓
Cyril Mayer	✓	✓
Henri Harel	✓	✓
Hector Espitalier-Noël	✓	✓
Philippe Espitalier-Noël	✓	✓
René Leclézio	✓	✓

9.3 SHAREHOLDING PROFILE

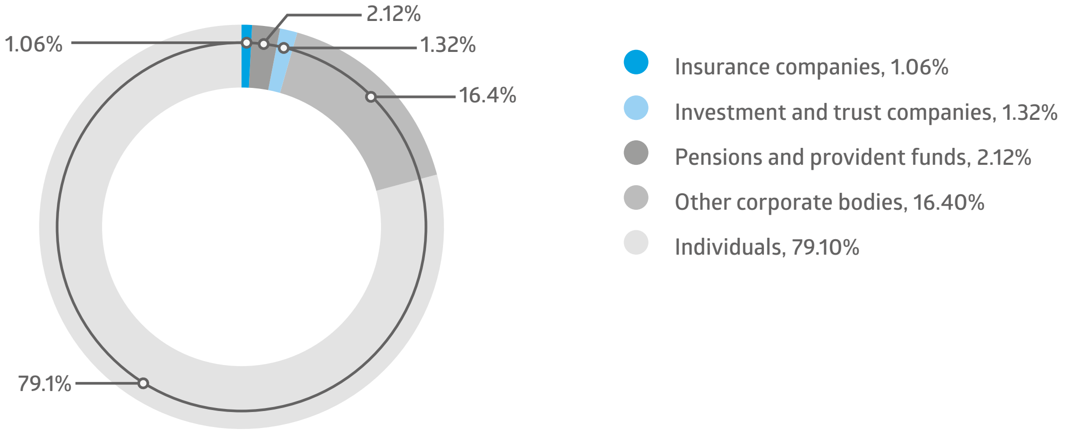
Shareholding profile as at 31 December 2014 was as follows:

Size of shareholding	Number of shareholders	Number of shares	% of total issued shares
1 – 500	252	26,690	1.014
501 – 1,000	40	28,420	1.080
1,001 – 5,000	65	124,090	4.714
5,001 – 10,000	9	63,163	2.400
10,001 – 50,000	7	105,174	3.996
50,001 – 100,000	4	268,733	10.209
100,001 – 250,000	0	-	-
250,001 – 500,000	0	-	-
Over 500,000	1	2,015,940	76.587
TOTAL	**378**	**2,632,210**	**100**

9.4 SHAREHOLDER CATEGORY

Shareholder category	Number of shareholders	Number of shares	% of total issued shares
Individuals	299	231,641	8.800
Insurance companies	4	2,023,448	76.873
Pensions and provident funds	8	15,196	0.577
Investment and trust companies	5	6,638	0.252
Other corporate bodies	62	355,287	13.498
TOTAL	**378**	**2,632,210**	**100**

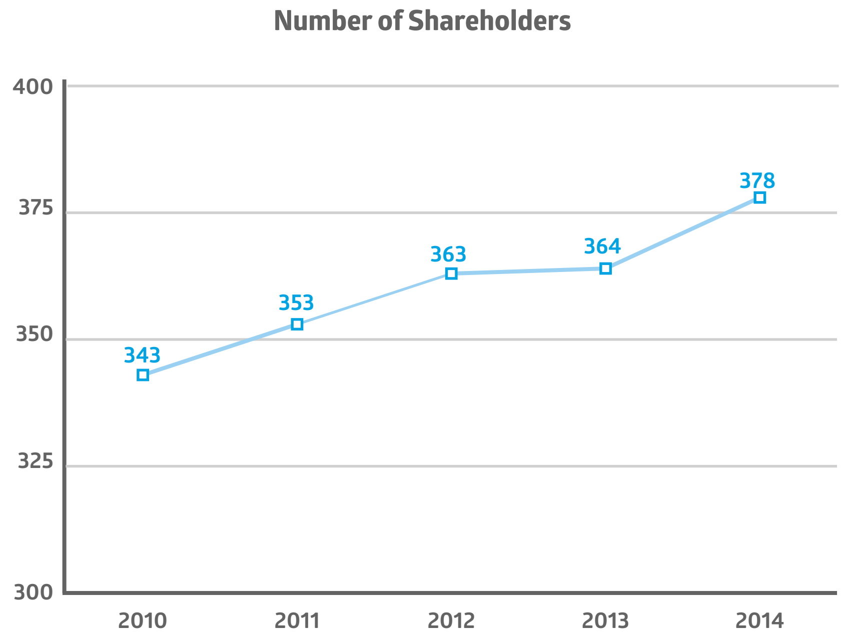
Number of Shareholders



Shareholder category	Number of shareholders	Number of shares	% of total issued shares
Local	363	2, 547, 311	96.775
Foreign	15	87,899	3.336
TOTAL	**378**	**2,632,210**	**100**

Corporate Governance Report 2014 (Cont'd)

9.5 NO. OF SHAREHOLDERS DURING THE LAST 5 YEARS



9.6 SHAREHOLDER COMMUNICATION AND EVENTS

The company ensures that shareholders are kept informed on matters affecting the company. The company communicates with its shareholders through press communiqués, publication of quarterly results, its annual report and at the meeting of shareholders. In addition, the company's website is regularly updated with share price and financial results. Board members are encouraged to attend the annual meeting of shareholders. Key events are set out below:

December	Declaration of dividend
January	Payment of dividend
May	Publication of first quarter results
June	Annual meeting of shareholders
August	Publication of half year results
November	Publication of nine months results

9.7 DIVIDEND POLICY

An actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act. The purpose of this valuation is to determine the surplus of the Life Assurance Fund for the period under review.

In compliance with the Insurance Act, the surplus is distributed as follows:

- 90% to policyholders as bonuses on policies.
- 10% to shareholders through a transfer to Proprietors' Fund.

The above transfer to Proprietors' Fund is used for the payment of dividends and Directors ensure that dividends are authorised and paid out only if the Company shall, upon the distribution being made, satisfy the solvency test.

For the year under review, the company declared and paid a dividend of Rs. 41.80 per share.

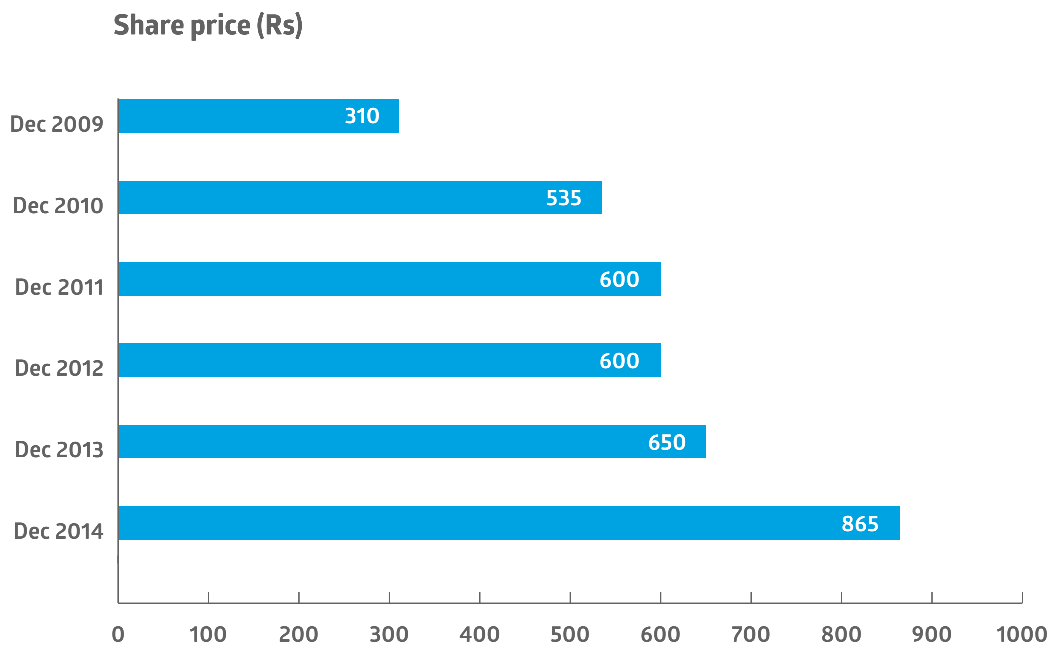
Dividend figures for the last 5 years:

Year	Dividend per Share (Rs.)	Dividend Yield* %
2014	41.80	4.83
2013	41.80	6.43
2012	30.40	5.07
2011	25.10	4.18
2010	22.80	4.26

*Dividend Yield is equal to the annual dividend per share divided by the market price.

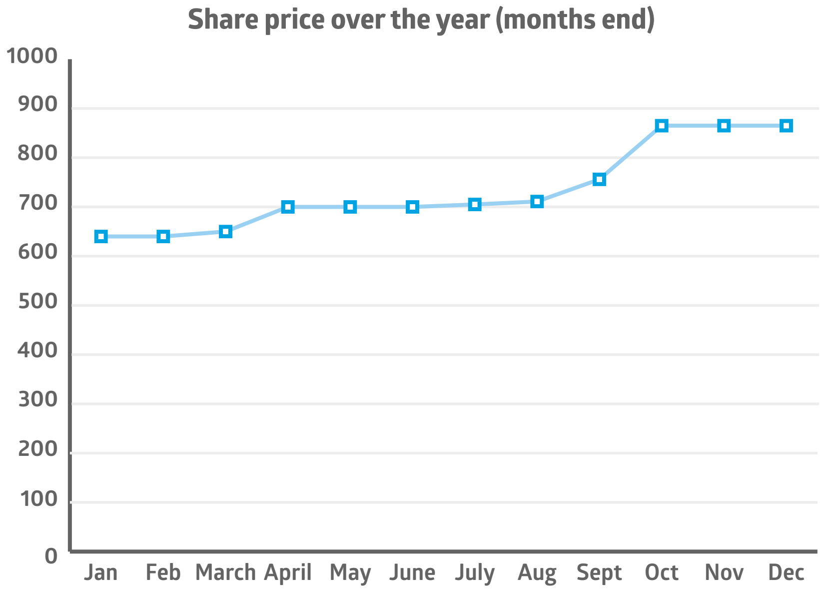
9.8 SHARE PRICE INFORMATION

The share prices of the Company for the past six years are shown below:



Corporate Governance Report 2014 (Cont'd)

Share price of the Company during the year (months end) was as follows:



10. REMUNERATION POLICY

The Board is responsible for the remuneration policy of the Group and duties are delegated to the Group Human Resource (HR) management team.

- The Remuneration structure has been designed so as to support the following strategic aims:
- Provide a remuneration package that attracts, retains and motivates staff and helps to develop a high performance culture.
- Ensure that pay levels are internally consistent and externally competitive.
- Reward employees according to their performance and contribution.
- Provide a right mix of non-financial as well as financial rewards.
- Ensure that the remuneration package promotes improved performance and is affordable.

Executive director's remuneration package consists of basic salary, annual performance bonus, pension provision, other benefits and an annual director's fee. The structure of the package is reviewed annually and benchmarked to market norms and practices. The Group's objective is to attract, motivate and retain executive directors of the highest calibre. This is essential for the successful leadership and effective management of the Group.

Non-executive directors receive an annual fee for their knowledge, experience and insight given to the Board and Committees.

The remuneration policy for executive directors approaching retirement is determined by the Corporate Governance Committee on a case-to-case basis.

11. COMPANY SECRETARY

All directors have access to the services of the Company Secretary who is responsible for ensuring that Board procedures are followed and plays an active role in the facilitation and induction of new directors and the improvement and monitoring of corporate governance processes.

12. RELATED PARTY TRANSACTIONS

For related party transactions, please refer to Note 30 of the financial statements.

13. CONSTITUTION

The constitution of the Company does not provide any ownership restriction or pre-emption rights. It is in conformity with the Companies Act 2001 and the Mauritius Stock Exchange Listing Rules.

14. SHAREHOLDERS' AGREEMENTS/THIRD PARTY MANAGEMENT AGREEMENTS

There were no such agreements during the year.

15. INTERNAL AUDIT

Internal Audit is an objective assurance function reporting to the Audit and Risks Committee and the Board of directors. It derives its authority from the Board through the Audit and Risks Committee.

Messrs' Ernst & Young Public Accountants perform the duties of Internal Auditors for the Group.

- **Role and responsibilities**

The Internal Auditors are responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risks management.

- **Reporting and disclosures**

- Structure and Organisation

The internal audit charter, which is reviewed and approved by the Audit and Risks Committee, establishes the composition, role, scope, authority, independence, reporting procedures, auditing standards and responsibilities of the Internal Auditors.

- Reporting lines

The Internal Auditors have a direct reporting line to the Audit and Risks Committee and maintain an open and constructive communication with executive management. They also have direct access to the Chairperson of the Committees and of the Board. This reporting structure allows the Internal Auditors to remain independent and report all items of significance to the Board and the Audit and Risks Committee.

- **Coverage and Risk management**

The annual internal audit plan, which is approved by the Audit and Risks Committee, is based on the principles of risk management to align coverage and effort with the degree of risk attributable to the areas audited.

- **Accessibility**

The Internal Auditors have unrestricted access to the records, management or employees of the Group. The Internal Auditors act as a source of constructive advice and best practice, assisting the Audit and Risks Committee in its responsibility to improve the processes by which risks are identified and managed and to report and advise on the proper and effective use of resources.

- **Areas covered**

The internal audit plan is devised based on a risk assessment exercise. During the year, the internal audit covered the following areas:

a. IT general controls
b. Debtors' Management Process
c. Dashboard & AS400 Migration Review
d. Human Resources & Payroll
e. Subsidiaries of the company:
    i. Anglo-Mauritius Investment Managers Limited
    ii. Pensions Consultants and Administrators Limited

Corporate Governance Report 2014 (Cont'd)

16. RISK MANAGEMENT

In our business, successful management essentially means controlling risks in order to protect the financial strength of the Group and increase its value on a sustainable basis.

The Board has overall responsibility for the Group's systems of risk management and for reviewing their effectiveness at least annually. The systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Executive management has the responsibility for establishing and implementing appropriate systems and controls in their own areas of remit.

Risk Management refers to the process used by the Group to monitor and mitigate its exposure to risk. The objective of risk management is not to completely eliminate risk but to reduce it at an acceptable level having regard to risk appetite of the Group. It is the intention of the Group to align the risk management framework of the Group to best practices.

Risk assessment activities were carried out by the Internal Auditors following which, management of the Group and the Internal Auditors have been working in collaboration to finalise the risk-monitoring framework. The risk management framework will be continuously reviewed and updated to reflect the ongoing risks facing the Group.

Risks discussed and identified for the Group are categorised as follows:

- **Insurance risk**

The Group's insurance activities are primarily concerned with the pricing, acceptance and management of risks from customers.

The Claims department closely monitors claims development. The management of the underwriting and claims uses a number of tools to write certain higher risk classes of business, review performance and management of insurance portfolios throughout the Group.

- **Reinsurance risk**

The Group's reinsurance strategy and appetite is set by management and recommended to the Board for approval. The Reinsurance team monitors and controls reinsurance activity and has the responsibility for the purchase of the Group's covers. Major treaty purchases are analysed to ensure that the level of cover purchased is aligned to the Group's risk appetite and strategy. Over and above treaty capacities, large risks are reinsured on the facultative reinsurance market.

- **Environment and Strategy risks**

These risks arise when there are environmental forces that could either put the Group out of business or significantly change the fundamentals that drive the Group's overall objectives and strategies.

Environment risks may arise from:

- Failure to understand customer needs;
- Failure to anticipate or react to actions of competitors; and
- Over dependence on vulnerable suppliers.

As the Group's competitive advantage becomes difficult to maintain, management's assumptions about the business environment provide a critical starting point for re-evaluating and formulating new business strategies.

These assumptions include the strategic profile of major competitors, demographic and social trends, new technologies that provide opportunities for competitive advantage, and economic, political and regulatory developments. The assessment of the Environment and Strategy risks also included discussions on:

- Regulatory Risks:

Changes in laws/regulations and actions by the local regulators can result in increased pressures and significantly affect the Group's ability to efficiently and competitively conduct business.

- Industry Risks:

Risks which make the industry less attractive as a result of changes in:

- Key factors for competitive success within the industry, including significant opportunities and threats;
- Capabilities of existing and potential competitors; and
- Group's strengths and weaknesses relative to present and future competitors.

- **Operational risks**

Operational risks are defined as risks of loss resulting from inadequate or failed internal processes and procedures, human error or system failure or from external events (e.g. legal risks). Operational loss events have significant negative impact on the market value of insurers.

Operational risks are further broken down into:

- Human resource risks:

Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.

- Fraud risks:

Intentional or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involving one internal party and/or a third party.

- Physical risks:

Losses due to fire, cyclone, explosion, riots etc.

- Business Continuity risks:

Losses from failed transaction processing, and process management, inadequate backups and loss of data.

- Reputational risks:

Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

- **Information Processing/Technology Risks**

These are risks that hardware and software are not operating as intended, are compromising the integrity and reliability of data and information, are exposing significant assets to potential loss or misuse, or are exposing the Group's ability to maintain a high standard of its main business processes.

- **Financial Risks**

The primary sources of financial risks within the Group are reinsurance counterparties, credit risk, inherent to insurance contracts, treasury and investment activities and premium debtors. Market risk arises from the Group's investment portfolios. Liquidity risk is considered to be low for the Group.

The management of these financial risks is further discussed in Note 3 of the financial statements.

Corporate Governance Report 2014 (Cont'd)

17. INTERNAL CONTROLS

The Board has the overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Group's assets and shareholders' interests.

The system of internal controls has been designed to safeguard assets of the Group from unauthorised use. The Group maintains proper accounting records to ensure effective operation of its business and compliance with laws and regulations.

Management is directly responsible for implementing the strategies and policies adopted by the Board, and for managing all of the Group's activities, including the operation of the internal control system. The system of internal controls is designed to provide assurance against material misstatement or loss, and to manage risks of failure in operational systems.

The key areas that the Board has put in place to provide effective internal controls are as follows:

1) The Board has established a clear organisation structure, including the delegation of appropriate responsibilities to the Board committees, the Group Chief Executive, members of the Senior Management, and to the heads of operating units;
2) The Board assesses the effectiveness of internal controls by considering the recommendations of the Audit & Risks Committee, reports of the internal auditors, feedback from management and the external auditors;
3) A comprehensive management accounting system is in place to provide financial and operational performance data for management accounting purposes. Review of the accounting information takes place on a regular basis at Audit & Risks Committee and Board levels and remedial action is promptly taken, where necessary;
4) There is an ongoing effort to document the system and procedures for each operating unit. These documents are also being updated regularly;
5) A compliance function has been put in place under the leadership of the Money Laundering Reporting Officer and clear compliance procedures have been established. Regular training is being conducted to ensure that:
   - New staff are trained in compliance with requirements that the Group is subject to; and
   - Existing staff are regularly updated on compliance issues;
6) Management has put in place appropriate financial controls by way of segregation of duties of accounting staff; and
7) Management has put in place appropriate operational and compliance controls at all operating units.

18. SHARE OPTION

The Company and Group has no share option plan.

19. CHARITABLE DONATIONS, CORPORATE SOCIAL RESPONSIBILITY AND POLITICAL CONTRIBUTION.

Please refer to 'Other Statutory Disclosures' in the financial statements.

20. STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Company's and Group's objective is to properly understand the information needs of stakeholders and to have an open and meaningful dialogue with all its stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure. The Company communicates through press communiqués, publication of quarterly results and its annual report. In addition, the Company's website is regularly updated with share price and financial results.

21. CODE OF ETHICS

The Company and Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Company and Group's Code of Ethics is based on the Model Code of the Joint Economic Council and adapted to meet the specific needs of the Group.

22. ENVIRONMENT, HEALTH & SAFETY AND SOCIAL ISSUES

The Company and the Group are committed to the development and implementation of social, safety, health and environmental policies (including carbon reduction) and practices, which comply with existing legislative and regulatory frameworks. In this area, the Company and the Group are aiming for best practice in line with its corporate values and long-term objectives.

In reckoning its social responsibility and the significance of broadening its role to areas not directly connected with its operations, the Company and the Group, as a corporate citizen, contributed to the development of a number of organisations in the educational, cultural, social and humanitarian fields through the Swan Group Foundation.

Jaiyansing Soobah
for Swan Group Corporate Services Limited
Company Secretary

26 March, 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

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

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

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

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

The Directors report that:

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

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

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

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

Signed on behalf of the Board of Directors on 26 March 2015.

M.E. CYRIL MAYER
CHAIRPERSON

J.M. LOUIS RIVALLAND
DIRECTOR & GROUP CHIEF EXECUTIVE

COMPANY SECRETARY'S CERTIFICATE

YEAR ENDED DECEMBER 31, 2014

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 under the Companies Act 2001.

JAIYANSING SOOBAH
FOR SWAN GROUP CORPORATE SERVICES LIMITED
COMPANY SECRETARY

26 March, 2015

STATEMENT OF COMPLIANCE

(Pursuant to Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity (PIE): The Anglo Mauritius Assurance Society Limited

Reporting Period: December 31, 2014

We, the directors of The Anglo Mauritius Assurance Society Limited, confirm that, to the best of our knowledge, the PIE has not complied with Sections 2.2.6 and 2.8.2 of the Code of Corporate Governance. Reasons for non-compliance are given on pages 38 and 41 of the Corporate Governance report.

M.E. CYRIL MAYER	**J.M. LOUIS RIVALLAND**
CHAIRPERSON	**DIRECTOR & GROUP CHIEF EXECUTIVE**

26 March, 2015

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of The Anglo-Mauritius Assurance Society Limited (the "Company"), 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 auditors' 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 the Financial Statements

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 58 to 111 which comprise the statements of financial position at December 31, 2014 and the life assurance fund, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 58 to 111 give a true and fair view of the financial position of the Group and of the Company at December 31, 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Insurance Act 2005

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

BDO & CO

Chartered Accountants

Ameenah Ramdin, FCCA, ACA
Licensed by FRC
Port Louis,
Mauritius.

26 March, 2015

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014

	Notes	THE GROUP 2014 Rs'000	THE GROUP 2013 Rs'000	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000
ASSETS					
Non-current assets					
Property and equipment	5	**244,310**	246,410	**219,885**	221,470
Investment properties	6	**577,872**	584,267	**538,050**	544,502
Intangible assets	7	**125,469**	131,891	**19,800**	21,075
Investments in subsidiary companies	8	**-**	-	**540,012**	540,012
Investments in associated companies	9	**39,283**	39,892	**614**	614
Investments in financial assets	10	**22,642,522**	19,805,540	**22,625,252**	19,801,796
Loans and receivables	11	**4,687,974**	4,578,161	**4,701,414**	4,591,601
Deferred tax assets	17	**58**	-	**-**	-
		28,317,488	25,386,161	**28,645,027**	25,721,070
Current assets					
Trade and other receivables	12	**514,002**	323,730	**519,461**	349,294
Investments in financial assets	10	**2,007,904**	1,403,359	**2,007,904**	1,403,359
Loans and receivables	11	**380,244**	383,169	**380,244**	383,169
Short term deposits	13/26(b)	**544,292**	1,438,166	**540,792**	1,438,166
Cash and cash equivalents	26(b)	**305,147**	411,835	**61,122**	247,216
		3,751,589	3,960,259	**3,509,523**	3,821,204
Total assets		**32,069,077**	29,346,420	**32,154,550**	29,542,274
EQUITY AND LIABILITIES					
Capital and reserves (attributable to owners of the parent)					
Share capital	14	**26,322**	26,322	**26,322**	26,322
Proprietors' fund		**134,145**	21,397	**134,145**	21,397
Reserves		**61,214**	61,214	**529,643**	529,643
Owners' interest		**221,681**	108,933	**690,110**	577,362
Non-controlling interests	15	**149,310**	134,793	**-**	-
Total equity		**370,991**	243,726	**690,110**	577,362
Technical Provisions					
Life Assurance Fund	2.13/16	**30,906,657**	28,425,609	**30,727,028**	28,303,188
Gross outstanding claims	3.1(a) (iii)	**72,298**	41,443	**72,298**	41,443
		30,978,955	28,467,052	**30,799,326**	28,344,631
Non-current liabilities					
Deferred tax liabilities	17	**-**	69	**-**	-
Retirement benefit obligations	18	**147,814**	132,414	**147,283**	132,451
		147,814	132,483	**147,283**	132,451
Current liabilities					
Trade and other payables	19	**442,253**	377,539	**399,804**	370,091
Current tax liabilities	20 (c)	**19,038**	15,594	**8,001**	7,713
Dividend payable	24	**110,026**	110,026	**110,026**	110,026
		571,317	503,159	**517,831**	487,830
Total equity and liabilities		**32,069,077**	29,346,420	**32,154,550**	29,542,274

These financial statements have been approved for issue by the Board of Directors on:

M.E. Cyril MAYER
Chairman

J.M. Louis Rivalland
DIRECTOR and GROUP CHIEF EXECUTIVE OFFICER

The notes on pages 62 to 111 form an integral part of these financial statements.

Auditors' report on pages 56 and 57.

LIFE ASSURANCE FUND

YEAR ENDED DECEMBER 31, 2014

		THE GROUP		THE COMPANY					
				NON-LINKED	LINKED	TOTAL	NON-LINKED	LINKED	TOTAL
	Notes	2014	2013			2014			2013
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	2.18	**2,598,749**	2,541,153	**1,403,013**	**1,195,736**	**2,598,749**	1,361,549	1,179,604	2,541,153
Ceded to reinsurers		**(154,685)**	(178,038)	**(154,685)**	**-**	**(154,685)**	(178,038)	-	(178,038)
Net insurance premiums		**2,444,064**	2,363,115	**1,248,328**	**1,195,736**	**2,444,064**	1,183,511	1,179,604	2,363,115
Consideration for annuities		**462,656**	384,483	**462,656**	**-**	**462,656**	384,483	-	384,483
Fee income on insurance and investment contracts		**322,403**	316,777	**185,282**	**-**	**185,282**	199,623	-	199,623
Investment income	21	**1,306,120**	1,180,123	**898,635**	**450,585**	**1,349,220**	899,506	319,442	1,218,948
Other income	22	**351,023**	132,603	**340,476**	**9,782**	**350,258**	92,646	39,590	132,236
Gain on exchange		**10,626**	-	**(2,198)**	**12,824**	**10,626**	-	-	-
Other operating income - rent		**23,887**	26,187	**21,150**	**-**	**21,150**	22,035	-	22,035
Share of results of associated companies	9	**379**	13,278	**-**	**-**	**-**	-	-	-
		4,921,158	4,416,566	**3,154,329**	**1,668,927**	**4,823,256**	2,781,804	1,538,636	4,320,440
Gross death and disablement insurance claims		**191,784**	170,473	**183,875**	**7,909**	**191,784**	167,237	3,236	170,473
Recoverable from reinsurers		**(42,499)**	(17,404)	**(42,499)**	**-**	**(42,499)**	(17,404)	-	(17,404)
Net death and disablement insurance claims		**149,285**	153,069	**141,376**	**7,909**	**149,285**	149,833	3,236	153,069
Maturity claims		**1,283,706**	1,130,580	**1,043,428**	**240,277**	**1,283,705**	999,679	130,901	1,130,580
Surrenders		**322,238**	240,300	**84,549**	**237,689**	**322,238**	40,157	200,143	240,300
Annuities		**401,267**	358,806	**387,972**	**13,296**	**401,268**	345,928	12,877	358,805
Commissions payable to agents and brokers		**135,226**	117,127	**135,226**	**-**	**135,226**	117,127	-	117,127
Fees payable		**186,818**	109,439	**105,169**	**160,898**	**266,067**	79,848	83,650	163,498
Depreciation of property and equipment	5	**15,504**	14,166	**14,666**	**-**	**14,666**	13,185	-	13,185
Depreciation of investment properties	6	**11,545**	11,457	**11,545**	**-**	**11,545**	11,457	-	11,457
Amortisation of intangible assets	7	**8,259**	12,317	**2,354**	**-**	**2,354**	6,444	-	6,444
Computer development expenses		**4,338**	6,875	**4,338**	**-**	**4,338**	6,875	-	6,875
Bad debts and impairment		**23,012**	29,939	**23,012**	**-**	**23,012**	29,939	-	29,939
Marketing and administrative expenses	23	**265,165**	272,590	**198,378**	**-**	**198,378**	214,555	-	214,555
Loss on exchange		**-**	40,551	**-**	**-**	**-**	19,838	20,713	40,551
		2,806,363	2,497,216	**2,152,013**	**660,069**	**2,812,082**	2,034,865	451,520	2,486,385
Surplus for the year before taxation		**2,114,795**	1,919,350	**1,002,316**	**1,008,858**	**2,011,174**	746,939	1,087,116	1,834,055
Taxation	20(a)	**(27,166)**	(26,055)	**(3,499)**	**-**	**(3,499)**	(7,145)	-	(7,145)
Surplus for the year		**2,087,629**	1,893,295	**998,817**	**1,008,858**	**2,007,675**	739,794	1,087,116	1,826,910
Surplus transferred as follows:									
- Life Assurance Fund	16	**1,856,338**	1,836,555	**791,125**	**1,008,858**	**1,799,983**	700,794	1,087,116	1,787,910
- Proprietors' fund		**207,692**	39,000	**207,692**	**-**	**207,692**	39,000	-	39,000
- Non-controlling interests	15	**23,599**	17,740	**-**	**-**	**-**	-	-	-
		2,087,629	1,893,295	**998,817**	**1,008,858**	**2,007,675**	739,794	1,087,116	1,826,910

The notes on pages 62 to 111 form an integral part of these financial statements.

Auditors' report on pages 56 and 57.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2014

THE GROUP

		Attributable to owners of the parent						
	Notes	Share capital Rs'000	Proprietors' fund Rs'000	Amalgamation reserve Rs'000	Other reserve Rs'000	Total Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
Balance at January 1, 2014		**26,322**	**21,397**	**61,214**	-	**108,933**	**134,793**	**243,726**
Interest allocated		-	**15,082**	-	-	**15,082**	-	**15,082**
Transfer from Life Assurance Fund		-	**207,692**	-	-	**207,692**	-	**207,692**
Net movement for the year	15	-	-	-	-	-	**23,517**	**23,517**
Dividends	24/15	-	**(110,026)**	-	-	**(110,026)**	**(9,000)**	**(119,026)**
Balance at December 31, 2014		**26,322**	**134,145**	**61,214**	-	**221,681**	**149,310**	**370,991**
Balance at January 1, 2013		26,322	85,502	61,214	-	173,038	125,148	298,186
Interest allocated		-	6,921	-	-	6,921	-	6,921
Transfer from Life Assurance Fund		-	39,000	-	-	39,000	-	39,000
Net movement for the year	15	-	-	-	-	-	17,645	17,645
Dividends	24/15	-	(110,026)	-	-	(110,026)	(8,000)	(118,026)
Balance at December 31, 2013		26,322	21,397	61,214	-	108,933	134,793	243,726

THE COMPANY

	Notes	Share capital Rs'000	Proprietors' fund Rs'000	Amalgamation reserve Rs'000	Other reserve Rs'000	Total Equity Rs'000
Balance at January 1, 2014		**26,322**	**21,397**	**61,214**	**468,429**	**577,362**
Interest allocated		-	**15,082**	-	-	**15,082**
Transfer from Life Assurance Fund		-	**207,692**	-	-	**207,692**
Dividends	24	-	**(110,026)**	-	-	**(110,026)**
Balance at December 31, 2014		**26,322**	**134,145**	**61,214**	**468,429**	**690,110**
Balance at January 1, 2013		26,322	85,502	61,214	468,429	641,467
Interest allocated		-	6,921	-	-	6,921
Transfer from Life Assurance Fund		-	39,000	-	-	39,000
Dividends	24	-	(110,026)	-	-	(110,026)
Balance at December 31, 2013		26,322	21,397	61,214	468,429	577,362

The notes on pages 62 to 111 form an integral part of these financial statements.

Auditors' report on pages 56 and 57.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014

	Notes	THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from operations	26(a)	**358,031**	613,555	**194,502**	467,676
Investment income received		**1,272,571**	1,184,094	**1,310,176**	1,210,319
Tax paid	20	**(23,813)**	(19,870)	**(3,211)**	(3,289)
Net cash generated from operating activities		**1,606,789**	1,777,779	**1,501,467**	1,674,706
Cash flows from investing activities					
Purchase of property and equipment	5	**(16,045)**	(19,731)	**(15,722)**	(19,064)
Purchase of investment property	6	**(8,424)**	(51,941)	**(8,367)**	(51,941)
Purchase of intangible assets	7	**(1,837)**	(1,524)	**(1,079)**	(286)
Purchase of financial assets	10	**(5,442,013)**	(3,259,163)	**(5,424,767)**	(3,242,753)
Loans granted		**(669,982)**	(1,585,438)	**(669,982)**	(1,585,438)
Disposal/maturity of financial assets		**3,079,938**	2,527,005	**3,075,970**	2,512,326
Proceeds from sale of property and equipment		**3,349**	1,096	**3,349**	1,096
Proceeds from sale of investment properties		**2,656**	-	**2,656**	-
Loans recovered		**551,668**	468,756	**551,668**	468,756
Net cash used in investing activities		**(2,500,690)**	(1,920,940)	**(2,486,274)**	(1,917,304)
Cash flows from financing activities					
Dividends paid to Company's shareholders	24	**(110,026)**	(80,019)	**(110,026)**	(80,019)
Dividends paid to non-controlling interest		**(8,000)**	(6,600)	**-**	-
Net cash used in financing activities		**(118,026)**	(86,619)	**(110,026)**	(80,019)
Decrease in cash and cash equivalents		**(1,011,927)**	(229,780)	**(1,094,833)**	(322,617)
Movement in cash and cash equivalents					
At January 1,		**1,850,001**	2,120,332	**1,685,382**	2,048,550
Decrease		**(1,011,927)**	(229,780)	**(1,094,833)**	(322,617)
Effects of exchange rate changes		**11,365**	(40,551)	**11,365**	(40,551)
At December 31,	26(b)	**849,439**	1,850,001	**601,914**	1,685,382

The notes on pages 62 to 111 form an integral part of these financial statements.

Auditors' report on pages 56 and 57.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

The Anglo-Mauritius Assurance Limited is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Swan Group Centre, Intendance Street, Port Louis. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of the Company.

The principal activities of the Company consist of life assurance, pensions, actuarial and investment business and have remained unchanged during the year. The activities of the subsidiary companies forming part of the Group, are detailed in note 8.

2. PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) available-for-sale financial assets and relevant financial assets and liabilities are stated at their fair values; and

(ii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

Amendments to published Standards and Interpretations effective in the reporting period

Amendments to IAS 32, 'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the Group's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities', define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity, the standard has no impact on the Group's financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what obligating event that gives rise to pay a levy and when should a liability be recognised. The Company is not subject to levies so the interpretation has no impact on the Group's financial statements.

Amendments to IAS 36, 'Recoverable Amount Disclosures for Non-financial Assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the Group's financial statements.

Amendments to IAS 39, 'Novation of Derivatives and Continuation of Hedge Accounting', provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendment has no impact on the Group's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Annual Improvements 2011-2013 Cycle

IFRS 13 (Amendment), 'First-time Adoption of International Financial Reporting Standards' clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2015 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Annual Improvements to IFRSs 2010-2012 cycle

Annual Improvements to IFRSs 2011-2013 cycle

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvements to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

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

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property and equipment

All property and equipment are stated at historical cost/deemed 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 Group and the cost of the item can be measured reliably.

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

Buildings	2%
Furniture, fixtures and fittings	10%
Computer equipment	15% - 33.3%
Electrical equipment	10%
Motor vehicles	20%

Land is not depreciated.

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 property and equipment are determined by comparing proceeds with their carrying amount and are included in the Life Assurance Fund.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in the Life Assurance Fund. Decreases that offset previous increases of the same asset are charged against Life Assurance Fund.

2.3 Intangible assets

Intangible assets consist of the following :

(i) Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of net asset of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Gains on bargain purchase represents the excess of the fair value of the Group's share of net asset acquired over the cost of acquisition and is recognised in the Life Assurance Fund. Goodwill on acquisition of associates is included in investments in associates. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested annually for impairment.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Computer softwares

Acquired computer softwares are capitalised on the basis of costs incurred to acquire and bring to use and are amortised over their estimated useful lives of 3 years. The carrying amounts of the computer softwares are reviewed annually and adjusted for impairment where considered necessary.

(iii) Development and other costs

Development and other costs are recognised as assets and are amortised over their estimated useful life of 5 years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

(iv) Value of business acquired (VOBA)

Value of business acquired represents the value of the customer lists and customer relationships reflecting the expectation of future contracts that are not part of the contractual insurance rights and contractual insurance obligations that existed at the date of business acquisition. This intangible asset is amortised over the estimated life of the contracts i.e. 15 years.

(v) Customer portfolio

Customer portfolio represents the value of the customer list. It is tested annually for impairment and carried at cost less accumulated impairment losses.

2.4 Investment properties

Properties held to earn rentals or capital appreciation or both and not occupied by the Group is classified as investment property.

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line method to write off the cost of each asset, to its residual value over its estimated useful life. The principal annual rate used is:-

Buildings	2%

Land is not depreciated.

Gains and losses on disposal of investment property are determined by reference to their carrying amount and are taken into account in determining the surplus on the Life Assurance Fund.

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.6 Investment in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Investment in subsidiaries (cont'd)

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Life Assurance Fund.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in Life Assurance Fund. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Life Assurance Fund.

2.7 Investment in associates

Separate financial statements of the investor

In the separate financial statements of the investor, investments in associated companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholder between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. The Group's investment in associates may include goodwill, net of any accumulated impairment loss identified on acquisition. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognise as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Investment in associates (cont'd)

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to Life Assurance Fund where appropriate.

Dilution gains and losses arising in investments in associates are recognised in Life Assurance Fund.

2.8 Financial assets

(a) Categories of financial assets

The Group classifies its financial assets into the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the investments at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iii) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Investments are initially recorded at fair value plus transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Financial assets (cont'd)

(b) Recognition and measurement (cont'd)

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity of the subsidiaries and in the Life Assurance Fund for the Company, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised in equity or in the Life Assurance Fund is included in the Life Assurance Fund as gains and losses on financial assets. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the Life Assurance Fund as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices (Level 1). The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. These valuation techniques maximise the use of observable data where it is available and rely as little as on entity specific estimates (Level 2), if the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and net assets basis (Level 3), see note 10.

(c) Impairment of financial assets

(i) Financial assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity, is removed from equity and recognised in the Life Assurance Fund. Impairment loss for the Group is recognised in the Life Assurance Fund. Impairment losses recognised in Life Assurance Fund for an investment in an equity instrument classified as available-for-sale are not reversed through the Life Assurance Fund.

(ii) Financial assets carried at amortised cost

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and, the amount of the loss is recognised in the Life Assurance Fund. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through the Life Assurance Fund to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the Life Assurance Fund.

2.10 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

2.12 Share Capital

Ordinary shares are classified as equity.

2.13 Life Assurance Fund

(i) Non-Linked Account

The surplus on the Life Assurance Fund-Non Linked Account for the year is retained in the Life Assurance Fund. The adequacy of the fund is determined by actuarial valuation every three years.

(ii) Linked Account

Earmarked assets in respect of segregated funds are assigned in the name of the Life Assurance Fund.

2.14 Retirement Benefit Obligations

(i) Defined Benefit Plan

The Group contributes to a defined benefit plan, the assets of which are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which it occurs. Remeasurements recognised in other comprehensive income shall not be reclassified to Life Assurance Fund in subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Retirement Benefit Obligations (cont'd)

(i) Defined Benefit Plan (cont'd)

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in the Life Assurance Fund.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in the Life Assurance Fund.

(ii) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees (new entrants and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

(iii) Termination benefits

Termination benefits are payable when the employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) The Company

The Company, The Anglo-Mauritius Assurance Society Limited, has a retirement pension fund for its employees which is internally managed. Full liability of the retirement benefit obligations has been recognised as the assets are not legally separate and cannot therefore be considered as plan assets.

2.15 Current and deferred income tax

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

Current tax

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

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

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date 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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Alternative minimum tax

Alternative Minimum Tax (AMT) is provided for, where a company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

2.17 Insurance contracts - The Company

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Insurance contracts are derecognised when all rights and obligations are extinguished or expire. Contracts that do not transfer significant insurance risk are investment contracts. The Company considers that virtually all its long term products are insurance contracts.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder.

Insurance contracts issued by the Company are classified into the following main categories:

(i) Long-term insurance contracts without fixed terms and with discretionary participating feature (DPF)

This type of contracts entitles the contract holders to a minimum guaranteed amount. The Discretionary Participating Feature (DPF) component gives the contract holders contractual rights to bonuses in addition to the minimum guaranteed amounts. A bonus is declared when the actual return on backing assets is higher than the expected return at inception of the contract. The amount and timing of the settlement of the DPF element is however at the discretion of the Company. The bonus is derived from the DPF eligible surplus available arising mainly from upon revaluation of backing assets. Revaluation of long term business assets is carried out by independent Actuaries on a triennial basis.

The Company has legal obligation to eventually pay to contract holders at least 90% of the DPF eligible surplus. Any portion of the DPF eligible surplus that is not declared as a bonus rate and not credited to individual contract holders accounts is retained as a liability for the benefit of all contract holders until declared and credited to them individually in future periods. Equity holders' share of the DPF eligible surplus, equal to 10%, is transferred from the Life Assurance Fund to the Proprietors' funds on a triennial basis when bonuses are declared.

(ii) Long-term insurance contracts with fixed and guaranteed terms

These contracts insure events with human life (for example death or survival) over a long duration. A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is based on assumptions such as mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

(iii) Unit-Linked

A unit-linked insurance contract includes an embedded derivative linking payments on the contract to units of investment (unitised) funds set up by the Company with consideration received from contract holders. This embedded derivative meets the definition of an insurance contract and is therefore not accounted for separately from the host insurance contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition

(i) The Group

Revenue comprises the fair value for services rendered and after eliminating revenue within the Group.

(ii) The Company

Premiums earned on long-term insurance contracts are recognised as income when they become payable by the contract holder. When policies lapse (due to non-receipt of premiums) within two years for unit-linked business and three years for other contracts, the related unpaid premium income due from the date they are deemed to have lapsed is reversed against premiums in the Life Assurance Fund. For contracts that lapse after longer periods, a surrender or paid up value is refunded to contract holders based on the terms of the contracts.

(iii) Other revenues earned by the Group are recognised on the following bases:

(i) Consideration for annuities - upon maturity of insurance contracts.

(ii) Rental income - as it accrues based on the terms of the rental contract.

(iii) Interest income - on a time-proportion basis using the effective interest method.

(iv) Dividend income - when the shareholder's right to receive payment is established.

2.19 Liability adequacy test

The Company's independent Actuaries review contract liabilities and carry out a liability adequacy test using current estimates of future contractual cash flows after taking into account the investment return expected on assets relating to the relevant long term business. Any deficiency is immediately recognised to the Life Assurance Fund by establishing a provision for the losses arising from liability adequacy test (the unexpired risk provision).

2.20 Reinsurance contracts

Contracts entered into by the Company with Reinsurers under which it is compensated for losses are classified as reinsurance contracts held. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Company's reinsurance assets arise from 'First Surplus Obligatory' treaty arrangements. Reinsurance assets are assessed for impairment on a regular basis. If ever there is objective evidence that the assets are impaired, the carrying amounts are reduced to the recoverable amounts and impairments recognised in the Life Assurance Fund.

2.21 Foreign Currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian rupees, the currency of the primary economic environment in which the entities operate ("functional currency"). The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Foreign Currencies (cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Life Assurance Fund. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items such as financial assets classified as available-for-sale financial assets, are included in the fair value reserve in the Life Assurance Fund.

(c) Translation of foreign entities

The results and financial position of foreign entities which have a functional currency different from that of the presentation currency of the Company, are translated as follows:

(i) assets and liabilities are translated at the end of the reporting period rate;

(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) the resulting exchange differences are recognised in the 'Translation Reserve', as a separate component of equity.

In the event of disposal, such translation differences are recognised in the Life Assurance Fund as part of the gain or loss on sale.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.23 Dividend distribution

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Company issues contracts that transfer insurance or financial risk or both. This section summarises the main risks linked to long-term insurance business and the way they are managed.

A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

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.

The Company has developed its insurance underwriting strategy 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.

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or wide spread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. Insurance risk is therefore subject to contract holders' behaviours and the impact of contract holders' behaviours have been factored into the assumptions used to measure insurance liabilities.

For contracts with fixed and guaranteed benefits and fixed future premiums, there are no mitigating items and conditions that reduce the insurance risk accepted.

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The Company manages these risks through its underwriting strategy and reinsurance arrangements. The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, the Company balances death risk and survival risk across its portfolio. Medical selection is also included in the Company's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. The Company has defined group-wide retention limit on any single life insured and reinsures the excess of the insured benefit over its retention limit. The retention limit is further reinsured through a Catastrophe Risk Reinsurance treaty. The Company does not have any reinsurance covers for contracts that insure survival risk.

(ii) Sources of uncertainty in the estimation of future payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and the variability in contract holders' behaviour.

The Company uses appropriate base tables of standard mortality according to the type of contract being written and statistical data are used to adjust the crude mortality rates to produce a best estimate of expected mortality for the future. When data is not sufficient to be statistically credible, the best estimate of future mortality is based on standard industry tables adjusted for the Company's experience.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (CONT'D)

3.1 Insurance risk (cont'd)

(iii) Claims development

The claims relates to death claims of the Group. The table below illustrates the outstanding claims at the end of the previous five years appearing in the statement of financial position:

	2010	2011	2012	2013	2014
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Gross outstanding claims	18,747	18,547	27,322	41,443	**72,298**

3.2 Financial risk

The Group's activities are exposed to financial risks through its financial assets, financial liabilities, insurance and reinsurance assets and liabilities. In particular, the key financial risk is that investment proceeds are not sufficient to fund the obligations arising from insurance contracts.

The most important components of this financial risk are :

· Market risk (which includes currency risk, interest rate risk and equity price risk)

· Credit risk;

· Liquidity risk;

· Capital management; and

· Fair value estimation.

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2 Financial risk (cont'd)

3.2.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in interest rates, equity prices, property prices and foreign currency exchange rates.

The Group has established policies which set out the principles that they expect to adopt in respect of management of the key market risks to which they are exposed. The Group monitors adherence to this market risk policy through the Group Investment Committee. The Group Investment Committee is responsible for managing market risk at Company level.

The financial impact from market risk is monitored at board level through investment reports which examine impact of changes in market risk on investment returns and asset values. The Group's market risk policy sets out the principles for matching liabilities with appropriate assets, the approaches to be taken when liabilities cannot be matched and the monitoring processes that are required.

(i) Currency risk

The Group:

The Company has an investment in a Global Business Licence '(GBL)' company which in turn holds an equity investment in Seychelles. The net assets of the GBL company is exposed to currency translation risk.

The Company:

The Company purchases reinsurance contracts internationally, thereby exposing it to foreign currency fluctuations. The Company's primary exposures are with respect to the Euro, US Dollar and UK Pound Sterling.

The Company also has a number of investments in foreign currencies, namely Euro, US Dollar, UK pound sterling, which are exposed to currency risk.

The Investment Committee closely monitors currency risk exposures against pre-determined limits. Exposure to foreign currency exchange risk is not hedged.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

The Group's financial assets and financial liabilities by currency are detailed below :

At December 31, 2014	Rs.	GBP	USD	Euro	Others	Total
Financial assets	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
- Investments in financial assets	**18,340,337**	**807,178**	**4,589,398**	**857,090**	**56,423**	**24,650,426**
- Loans and receivables	**5,068,218**	-	-	-	-	**5,068,218**
- Trade and other receivables	**466,884**	**2,813**	**5,624**	**2,467**	-	**477,788**
- Bank balances, deposits and cash	**636,561**	**15,445**	**96,416**	**44,990**	**56,027**	**849,439**
	24,512,000	**825,436**	**4,691,438**	**904,547**	**112,450**	**31,045,871**
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	**30,906,657**	-	-	-	-	**30,906,657**
· Gross outstanding claims	**72,298**	-	-	-	-	**72,298**
- Trade and other payables	**442,253**	-	-	-	-	**442,253**
	31,421,208	-	-	-	-	**31,421,208**

At December 31, 2013	Rs.	GBP	USD	Euro	Others	Total
Financial assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	15,837,962	30,433	4,268,543	850,418	221,543	21,208,899
- Loans and receivables	4,961,330	-	-	-	-	4,961,330
- Trade and other receivables	285,251	1,294	3,695	2,042	-	292,282
- Bank balances, deposits and cash	1,175,384	10,117	278,872	27,508	358,120	1,850,001
	22,259,927	41,844	4,551,110	879,968	579,663	28,312,512
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	28,425,609	-	-	-	-	28,425,609
· Gross outstanding claims	41,443	-	-	-	-	41,443
- Trade and other payables	377,539	-	-	-	-	377,539
	28,844,591	-	-	-	-	28,844,591

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

The Company's financial assets and financial liabilities by currency are detailed below :

At December 31, 2014	**Rs.**	**GBP**	**USD**	**Euro**	**Others**	**Total**
Financial assets	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
- Investments in financial assets	**18,323,076**	**807,178**	**4,589,398**	**857,090**	**56,414**	**24,633,156**
- Loans and receivables	**5,081,658**	-	-	-	-	**5,081,658**
- Trade and other receivables	**472,903**	**2,813**	**5,624**	**2,467**	**-**	**483,807**
- Bank balances, deposits and cash	**437,341**	**12,294**	**71,284**	**24,995**	**56,000**	**601,914**
	24,314,978	**822,285**	**4,666,306**	**884,552**	**112,414**	**30,800,535**
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	**30,727,028**	-	-	-	-	**30,727,028**
· Gross outstanding claims	**72,298**	-	-	-	-	**72,298**
- Trade and other payables	**399,804**	-	-	-	-	**399,804**
	31,199,130	-	-	-	-	**31,199,130**

At December 31, 2013	Rs.	GBP	USD	Euro	Others	Total
Financial assets	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- Investments in financial assets	15,834,219	30,433	4,268,543	850,418	221,542	21,205,155
- Loans and receivables	4,974,770	-	-	-	-	4,974,770
- Trade and other receivables	311,333	1,294	3,695	2,042	-	318,364
- Bank balances, deposits and cash	1,033,596	9,055	266,501	18,111	358,119	1,685,382
	22,153,918	40,782	4,538,739	870,571	579,661	28,183,671
Financial liabilities						
- Technical Provisions:						
· Life assurance fund	28,303,188	-	-	-	-	28,303,188
· Gross outstanding claims	41,443	-	-	-	-	41,443
- Trade and other payables	370,091	-	-	-	-	370,091
	28,714,722	-	-	-	-	28,714,722

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(i) Currency risk (cont'd)

Sensitivity

If the rupee had weakened/strengthened against the following currencies with all variables remaining constant, the impact on the Life Assurance Fund for the year would have been as shown below mainly as a result of foreign exchange gains/losses.

	THE GROUP				THE COMPANY			
	GBP	USD	EURO	OTHERS	GBP	USD	EURO	OTHERS
	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Impact on Life Assurance Fund :								
- At December 31, 2014								
- Investments in financial assets	**40,359**	**229,470**	**42,855**	**2,821**	**40,359**	**229,470**	**42,855**	**2,821**
- Trade and other receivables	**141**	**281**	**123**	**-**	**141**	**281**	**123**	**-**
- Bank balances, deposits and cash	**772**	**4,821**	**2,250**	**2,801**	**615**	**3,564**	**1,250**	**2,800**
- At December 31, 2013								
- Investments in financial assets	1,522	213,427	42,521	11,077	1,522	213,427	42,521	11,077
- Trade and other receivables	65	185	102	-	65	185	102	-
- Bank balances, deposits and cash	506	13,944	1,375	17,906	453	13,325	906	17,906

(ii) Interest rate risk

The Group:

Interest rate risk arises from the Group and Company's investments in long term debt securities and fixed income securities (held-to-maturity Investments), bank balances and deposits which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is monitored by the Investment Committee through a close matching of assets and liabilities. The impact of exposure to sustain low interest rates is also regularly monitored.

The interest rate profiles of the financial assets of the Group and Company as at December 31, were as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	%	%	%	%
Held-to-Maturity investments	**7.00 - 12.25**	7.00 - 13.25	**7.00 - 12.25**	7.00 - 13.25
Loans and receivables	**6.00 - 14.00**	6.00 - 14.00	**6.00 - 14.00**	6.00 - 14.00
Short term deposits	**2.35 - 5.60**	3.00 - 5.00	**2.35 - 5.60**	3.00 - 5.00
Bank balances	**0.00 - 3.65**	0.00 - 3.65	**0.00 - 3.65**	0.00 - 3.65

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.1 Market risk (cont'd)

(ii) Interest rate risk (cont'd)

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the surplus for the year ended December 31, 2014 would increase/decrease by Rs 63.4m (2013: Rs.66.7m) for the Group and Rs 58.7m (2013: Rs 63.4m) for the Company.

The Company :

For liabilities under long term insurance contracts with fixed and guaranteed terms, changes in interest rate will not cause a change to the amount of liability because their carrying amounts are not affected by the level of market interest rates.

For unit linked contracts, the Company matches all the assets on which the unit prices are based with assets in the portfolio. There is therefore no price, currency or interest risk on these contracts.

However for insurance contracts with DPF, the DPF element liabilities are directly affected by changes in the level of interest rates to the extent that they affect the carrying amount of underlying assets. An increase in the value of the assets would require all other assumptions being equal, an increase in in the DPF liability and vice versa.

Management regularly monitors the sensitivity of reported interest rate movements.

Sensitivity

A change of 50 basis point in interest rates has no material impact on the DPF eligible surplus of the life fund.

(iii) Equity price risk

The Group is subject to price risk due to daily changes in the market values of its equity securities portfolio. Equity price risk is actively managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out investment concentration as part as overall prudent portfolio investment policy.

The Group does not have material holdings in unquoted equity securities. The Investment Committee actively monitors equity assets owned directly by the Company as well as concentrations of specific equity holdings. Equity price risk is also mitigated as the Group holds diversified portfolios of local and foreign investments in various sectors of the economy.

Sensitivity

The impact on the Life Assurance Fund had the equity market values increased/decreased by 1% with other assumptions left unchanged would have been as follows:

	THE GROUP	THE COMPANY
At December 31, 2014	**Rs'm**	**Rs'm**
- Available for sale financial assets	**154**	**154**
At December 31, 2013	Rs'm	Rs'm
- Available for sale financial assets	133	133

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet all or part of their obligations. The Group's credit risk is primarily attributable to :

- reinsurer's share of insurance liabilities;

- amounts due from reinsurers in respect of claims already paid;

- amounts due from insurance contract holders, and

- amounts due from insurance intermediaries.

The amounts presented in the statements of financial position are net of allowances for estimated irrecoverable amount receivables, based on management's prior experience and the current economic environment.

The Group has no significant concentration of credit risk in respect of its insurance business with exposure spread over a large number of clients, agents and brokers. The Group has policies in place to ensure that sales of services are made to clients, agents, and brokers with sound credit history.

Reinsurance credit exposures - The Company

The Company is however exposed to concentrations of risks with respect to its reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Company is exposed to the possibility of default by its reinsurers in respect of share of insurance liabilities and refunds in respect of claims already paid.

The Company manages its reinsurance counterparty exposures and the reinsurance department has a monitoring role over this risk. The Company's largest reinsurance counterparty is Swiss Re. At December 31, 2014, the reinsurance assets recoverable was Rs.10.7m (2013: Rs.2.3m).

This exposure is monitored on a regular basis for any shortfall in the claims history to verify that the contract is progressing as expected and that no further exposure for the Company will arise.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.2 Credit risk (cont'd)

Reinsurance credit exposures - The Company (cont'd)

Management also monitors the financial strength of reinsurers and there are policies in place to ensure that risks are ceded to top-rated and credit worthy reinsurers only.

The following table provides information regarding the carrying value of loans and receivables that have been impaired.

	Neither past due nor impaired	Impaired	Provision for impairment	Carrying amount at year end
	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP				
2014				
- Loans and receivables	**5,068,218**	**54,184**	**(54,184)**	**5,068,218**
- Trade and other receivables	**514,002**	**5,000**	**(5,000)**	**514,002**
2013				
- Loans and receivables	4,961,330	42,183	(42,183)	4,961,330
- Trade and other receivables	323,730	-	-	323,730
THE COMPANY				
2014				
- Loans and receivables	**5,081,658**	**54,184**	**(54,184)**	**5,081,658**
- Trade and other receivables	**519,461**	**5,000**	**(5,000)**	**519,461**
2013				
- Loans and receivables	4,974,770	42,183	(42,183)	4,974,770
- Trade and other receivables	349,294	5,000	(5,000)	349,294

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.3 Liquidity risk

The Group has strong liquidity positions and liquidity risk is considered to be low. Through the application of the liquidity management policy, the Group seeks to maintain sufficient financial resources to meet its obligations as they fall due.

The tables below analyse the Group's and Company's financial assets and liabilities to the relevant maturity groupings based on the remaining years of repayment.

THE GROUP

Maturities of financial assets and liabilities:

At December 31, 2014	< 1 year Rs'000	1 to 5 years Rs'000	>5 years Rs'000	Total Rs'000
Financial assets				
- Investments in financial assets	17,758,961	1,637,016	5,254,449	24,650,426
- Loans and receivables	380,244	940,422	3,747,552	5,068,218
- Trade and other receivables	477,788	-	-	477,788
- Bank balances, deposits and cash	849,439	-	-	849,439
	19,466,432	2,577,438	9,002,001	31,045,871
Financial liabilities				
- Technical Provisions :				
· Life assurance fund	30,906,657	-	-	30,906,657
· Gross outstanding claims	72,298	-	-	72,298
- Trade and other payables	442,253	-	-	442,253
	31,421,208	-	-	31,421,208

At December 31, 2013	< 1 year Rs'000	1 to 5 years Rs'000	>5 years Rs'000	Total Rs'000
Financial assets				
- Investments in financial assets	14,698,886	1,365,403	5,144,610	21,208,899
- Loans and receivables	197,607	1,222,143	3,541,580	4,961,330
- Trade and other receivables	292,282	-	-	292,282
- Bank balances, deposits and cash	1,850,001	-	-	1,850,001
	17,038,776	2,587,546	8,686,190	28,312,512
Financial liabilities				
- Technical Provisions :				
· Life assurance fund	28,425,609	-	-	28,425,609
· Gross outstanding claims	41,443	-	-	41,443
- Trade and other payables	377,539	-	-	377,539
	28,844,591	-	-	28,844,591

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.3 Liquidity risk (cont'd)

THE COMPANY

Maturities of financial assets and liabilities:

At December 31, 2014	< 1 year Rs'000	1 to 5 years Rs'000	>5 years Rs'000	Total Rs'000
Financial assets				
- Investments in financial assets	17,758,961	1,619,755	5,254,440	24,633,156
- Loans and receivables	380,244	953,861	3,747,553	5,081,658
- Trade and other receivables	483,807	-	-	483,807
- Bank balances, deposits and cash	601,914	-	-	601,914
	19,224,926	2,573,616	9,001,993	30,800,535
Financial liabilities				
- Technical Provisions:				
· Life assurance fund	30,727,028	-	-	30,727,028
· Gross outstanding claims	72,298	-	-	72,298
- Trade and other payables	399,804	-	-	399,804
	31,199,130	-	-	31,199,130

At December 31, 2013	< 1 year Rs'000	1 to 5 years Rs'000	>5 years Rs'000	Total Rs'000
Financial assets				
- Investments in financial assets	14,695,141	1,365,405	5,144,609	21,205,155
- Loans and receivables	383,169	1,050,021	3,541,580	4,974,770
- Trade and other receivables	318,364	-	-	318,364
- Bank balances, deposits and cash	1,685,382	-	-	1,685,382
	17,082,056	2,415,426	8,686,189	28,183,671
Financial liabilities				
- Technical Provisions:				
· Life assurance fund	28,303,188	-	-	28,303,188
· Gross outstanding claims	41,443	-	-	41,443
- Trade and other payables	370,091	-	-	370,091
	28,714,722	-	-	28,714,722

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (CONT'D)

3.2.4 Capital Management

The main objectives of the Company when managing capital are :

• to maintain at all times the Minimum Capital Requirement as required by the Insurance Act 2005, i.e. as determined by the company's actuary at the higher of :

(a) a stress test requirement determined in accordance with guidelines issued by the Commission or

(b) the higher of an amount of Rs.25m or an amount representing 13 weeks' operating expenses.

• to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

• to provide an adequate return to shareholders by pricing insurance contracts and other services commensurately with the level of risk.

The Company is required to maintain at all times a solvency margin that is at least equal to the Minimum Capital Requirement.

The Company's capital and solvency margins are above the minimums required by the Insurance Act 2005 and proper internal controls are in place to ensure that they remain so.

3.2.5 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each end of the reporting period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Insurance contracts - The Company

(i) Estimates of future benefit payments

Long-term business technical provisions are computed using statistical or mathematical methods. The computations are made by the Company's Actuaries on the basis of recognised actuarial methods, with due regard to the actuarial principles laid down by the law and by actuarial best practices. The methodology takes into account the risks and uncertainties of the particular classes of long-term business written and the results are certified by the professionals undertaking the valuations.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

4.1 Insurance contracts - The Company (cont'd)

(i) Estimates of future benefit payments (cont'd)

The determination of the liabilities under long-term insurance contracts is dependent on estimates made by the Company. Estimates are made as to the expected number of deaths for each of the years in which the Company is exposed to risk. The Company bases these estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Company's own experience. For contracts that insure the risk of longevity, appropriate but not excessively prudent allowance is made for expected mortality improvements. However, continuing improvements in medical care and social conditions could result in improvements in longevity in excess of those allowed for in the estimates used to determine the liability for contracts where the Company is exposed to longevity risk.

For contracts without fixed terms, it is assumed that the Company will be able to increase mortality risk charges in future years in line with emerging mortality experience.

Under certain contracts, where the Company has offered guaranteed annuity options, estimates are made based on the percentage of contract holders that will exercise them. Changes in investment conditions could result in significantly more contract holders exercising their options than has been assumed.

Estimates are also made as to the future investment income arising from the assets backing long-term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

For long-term insurance contracts with fixed and guaranteed terms and with DPF, estimates are made in two stages. Estimates of future deaths, voluntary terminations, investment returns and administration expenses are made at the inception of the contract and form the assumptions used for calculating the liabilities during the life of the contract. A margin for risk and uncertainty is added to these assumptions. These assumptions are 'locked in' for the duration of the contract. New estimates are made each subsequent year in order to determine whether the previous liabilities are adequate in the light of these latest estimates. If the liabilities are considered adequate, the assumptions are not altered. If they are not adequate, the assumptions are altered ('unlocked') to reflect the best estimate assumptions.

(ii) Sensitivity

The reasonableness of the estimation process of future benefit payments is tested by an analysis of sensitivity under several different scenarios. This analysis enables the Company to assess the most significant assumptions and monitor the emerging variations accordingly.

4.2 Reinsurance - The Company

The Company is exposed to disputes on, and defects in, contract wordings and the possibility of default by their Reinsurers. The Company monitors the financial strength of their Reinsurers. Allowance is made in the financial statements for non-recoverability due to Reinsurer's default as required.

4.3 Held-to-maturity investments

The Group follows the guidance of International Accounting Standard (IAS) 39 - Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. In making their judgement for classification, the Group evaluates its intention and ability to hold such investments to maturity.

If the Group fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONT'D)

4.4 Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 on determining when a financial asset is permanently impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4.5 Impairment of other assets

At the end of each reporting period, management reviews and assesses the carrying amounts of other assets and where relevant write them down to their recoverable amounts based on best estimates.

4.6 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of the year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions.

Additional information is disclosed in Note 18.

4.7 Fair value of security not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.8 Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

4.9 Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

4.10 Limitation of sensitivity analysis

The sensitivity analysis demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's views of possible near-term market changes that cannot be predicted with any certainty.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

5. PROPERTY AND EQUIPMENT

(a) THE GROUP

	Freehold land and buildings Rs'000	Furniture, fixtures & fittings Rs'000	Computer Equipment Rs'000	Electrical Equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST/DEEMED COST						
At January 1, 2013	252,394	100,766	49,832	2,248	16,098	421,338
Additions	-	10,293	5,927	-	3,511	19,731
Disposals	-	-	(39)	-	(2,664)	(2,703)
At December 31, 2013	**252,394**	**111,059**	**55,720**	**2,248**	**16,945**	**438,366**
Additions	-	1,056	9,205	-	5,784	16,045
Disposals	-	-	(1,600)	-	(7,052)	(8,652)
At December 31, 2014	**252,394**	**112,115**	**63,325**	**2,248**	**15,677**	**445,759**
DEPRECIATION						
At January 1, 2013	37,070	84,109	46,950	2,248	9,315	179,692
Charge for the year	4,652	3,820	3,884	-	1,810	14,166
Disposal adjustments	-	-	(39)	-	(1,863)	(1,902)
At December 31, 2013	**41,722**	**87,929**	**50,795**	**2,248**	**9,262**	**191,956**
Charge for the year	4,538	3,662	5,195	-	2,109	15,504
Disposal adjustments	-	-	(533)	-	(5,478)	(6,011)
At December 31, 2014	**46,260**	**91,591**	**55,457**	**2,248**	**5,893**	**201,449**
NET BOOK VALUE						
At December 31, 2014	**206,134**	**20,524**	**7,868**	-	**9,784**	**244,310**
At December 31, 2013	210,672	23,130	4,925	-	7,683	246,410

(b) THE COMPANY

	Freehold land and buildings Rs'000	Furniture, fixtures & fittings Rs'000	Computer Equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST					
At January 1, 2013	228,295	94,180	46,558	14,817	383,850
Additions	-	9,740	5,813	3,511	19,064
Disposals	-	-	(39)	(2,664)	(2,703)
At December 31, 2013	**228,295**	**103,920**	**52,332**	**15,664**	**400,211**
Additions	-	923	9,015	5,784	15,722
Disposals	-	-	(1,600)	(7,052)	(8,652)
At December 31, 2014	**228,295**	**104,843**	**59,747**	**14,396**	**407,281**
DEPRECIATION					
At January 1, 2013	36,460	78,162	44,093	8,743	167,458
Charge for the year	4,566	3,220	3,781	1,618	13,185
Disposal adjustments	-	-	(39)	(1,863)	(1,902)
At December 31, 2013	**41,026**	**81,382**	**47,835**	**8,498**	**178,741**
Charge for the year	4,566	3,154	5,029	1,917	14,666
Disposal adjustments	-	-	(533)	(5,478)	(6,011)
At December 31, 2014	**45,592**	**84,536**	**52,331**	**4,937**	**187,396**
NET BOOK VALUE					
At December 31, 2014	**182,703**	**20,307**	**7,416**	**9,459**	**219,885**
At December 31, 2013	187,269	22,538	4,497	7,166	221,470

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

6. INVESTMENT PROPERTIES

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
COST		
At January 1, 2013	610,556	570,543
Additions	51,941	51,941
At December 31, 2013	**662,497**	**622,484**
Additions	8,424	8,367
Disposals	(3,938)	(3,938)
At December 31, 2014	**666,983**	**626,913**
DEPRECIATION		
At January 1, 2013	66,773	66,525
Charge for the year	11,457	11,457
At December 31, 2013	**78,230**	**77,982**
Charge for the year	11,545	11,545
Disposal adjustment	(664)	(664)
At December 31, 2014	**89,111**	**88,863**
NET BOOK VALUE		
At December 31, 2014	**577,872**	**538,050**
At December 31, 2013	584,267	544,502

(a) The fair value of investment properties is estimated as follows:

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31,	**1,632,578**	1,353,352	**1,505,439**	1,271,852

The investment properties were revalued in December 2014 by Noor Dilmohamed & Associates, on an open market value basis and the valuation is performed every 3 years.

The following have been recognised in the Life Assurance Fund.

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Rental income	**56,600**	54,665	**52,181**	49,696
Direct operating expenses	**43,938**	39,617	**42,576**	39,118

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

7. INTANGIBLE ASSETS

THE GROUP	Goodwill Rs'000	Computer Softwares Rs'000	Development Cost Rs'000	VOBA Rs'000	Others * Rs'000	Total Rs'000
COST						
At January 1, 2013	59,598	13,447	21,975	28,477	55,375	178,872
Additions	-	1,524	-	-	-	1,524
At December 31, 2013	59,598	14,971	21,975	28,477	55,375	180,396
Additions	-	1,837	-	-	-	1,837
At December 31, 2014	**59,598**	**16,808**	**21,975**	**28,477**	**55,375**	**182,233**
AMORTISATION						
At January 1, 2013	-	12,914	17,580	5,694	-	36,188
Charge for the year	-	487	4,395	1,898	5,537	12,317
At December 31, 2013	-	13,401	21,975	7,592	5,537	48,505
Charge for the year	-	822	-	1,899	5,538	8,259
At December 31, 2014	-	**14,223**	**21,975**	**9,491**	**11,075**	**56,764**
NET BOOK VALUE						
At December 31, 2014	**59,598**	**2,585**	-	**18,986**	**44,300**	**125,469**
At December 31, 2013	59,598	1,570	-	20,885	49,838	131,891

* Others represents the value of customer lists acquired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

7. INTANGIBLE ASSETS (CONT'D)

THE COMPANY

	Computer Softwares Rs'000	Development Cost Rs'000	VOBA Rs'000	Total Rs'000
COST				
At January 1, 2013	9,603	21,975	28,477	60,055
Additions	286	-	-	286
At December 31, 2013	9,889	21,975	28,477	60,341
Additions	1,079	-	-	1,079
At December 31, 2014	**10,968**	**21,975**	**28,477**	**61,420**
AMORTISATION				
At January 1, 2013	9,548	17,580	5,694	32,822
Charge for the year	151	4,395	1,898	6,444
At December 31, 2013	9,699	21,975	7,592	39,266
Charge for the year	455	-	1,899	2,354
At December 31, 2014	**10,154**	**21,975**	**9,491**	**41,620**
NET BOOK VALUE				
At December 31, 2014	**814**	-	**18,986**	**19,800**
At December 31, 2013	190	-	20,885	21,075

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY 2014 Rs'000	THE COMPANY 2013 Rs'000
(a) UNQUOTED		
At January 1 and December 31,	**540,012**	540,012

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(b) The financial statements of the following subsidiaries, incorporated in Mauritius, have been included in the consolidated financial statements. The subsidiaries have a reporting date of December 31st and operate on the local market.

Name of subsidiaries	Class of shares held	Stated capital	Nominal value of investment	Proportion of ownership interest Direct	Proportion of ownership interest Indirect	Proportion of ownership interests held by "non-controlling" interests	Place of business	Country of incorporation	Main business
2014 & 2013		Rs'000	Rs'000	%	%	%			
· Manufacturers' Distributing Station Limited	Ordinary	961	47,686	99.8%	-	0.2%	Port Louis	Mauritius	· Investment Company
· Pension Consultant and Administration Limited (c)	Ordinary	4,100	22,825	100.0%	-	-	Port Louis	Mauritius	· Pension and fund administration
· Anglo-Mauritius Financial Solutions Limited (c)	Ordinary	586,876	469,500	80.0%	-	20.0%	Port Louis	Mauritius	· Investment Company
· Anglo-Mauritius Investment Managers Limited	Ordinary	1,000	-	-	80.0%	20.0%	Port Louis	Mauritius	· Fund management and investment consulting
· Anglo-Mauritius Stockbrokers Limited	Ordinary	1,000	-	-	80.0%	20.0%	Port Louis	Mauritius	· Stockbroking
· Société de la Croix (d)	Parts	2,500	-	-	99.8%	0.2%	Port Louis	Mauritius	· Investment entity
· Société de la Montagne (d)	Parts	45,654	-	-	99.8%	0.2%	Port Louis	Mauritius	· Investment entity
· Société de la Rivière (d)	Parts	2,500	-	-	99.8%	0.2%	Port Louis	Mauritius	· Investment entity
· Swan Group Foundation	Limited by guarantee	1	1	50.0%	-	50.0%	Port Louis	Mauritius	· Management of Swan Group CSR fund (not consolidated)
			540,012						

(c) As from 1st May 2010, an agreement has been reached whereby the proprietors' will have a right to dividend of the Company.

(d) The Company owns 100% of the three above-named sociétés through Manufacturers' Distributing Station Limited.

(e) Details for subsidiaries are as follows:

Name of subsidiary	Profit/(loss) allocated to non-controlling interests during the year	Accumulated non-controlling interests at December 31,
2014		
· Manufacturers' Distributing Station Limited (group)	**5**	**218**
· Anglo-Mauritius Financial Solutions Limited	**(1,217)**	**99,648**
· Anglo-Mauritius Investment Managers Limited	**21,450**	**42,239**
· Anglo-Mauritius Stockbrokers Limited	**3,361**	**7,205**
	23,599	**149,310**
2013		
· Manufacturers' Distributing Station Limited (group)	6	213
· Anglo-Mauritius Financial Solutions Limited	160	109,865
· Anglo-Mauritius Investment Managers Limited	15,084	20,830
· Anglo-Mauritius Stockbrokers Limited	2,490	3,885
	17,740	134,793

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(f) Summarised financial information on subsidiaries

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income.

Name of subsidiary	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non-controlling interests
2014	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
· Manufacturers' Distributing Station Limited (group)	**13,984**	**43,127**	**8,150**	-	**4,894**	**2,527**	-	**2,527**	-
· Pension Consultant and Administration Limited	**27,864**	**288**	**13,252**	-	**24,652**	**5,753**	-	**5,753**	-
· Anglo-Mauritius Financial Solutions Limited	**59,141**	**576,672**	**45,322**	-	**53,000**	**46,911**	-	**46,911**	**9,000**
· Anglo-Mauritius Investment Managers Limited	**195,757**	**590**	**64,222**	**531**	**150,177**	**107,246**	**(208)**	**107,038**	-
· Anglo-Mauritius Stockbrokers Limited	**67,090**	**18,243**	**44,313**	-	**41,540**	**16,808**	**(203)**	**16,605**	-
2013									
· Manufacturers' Distributing Station Limited (group)	9,551	43,041	3,658	-	4,969	3,013	-	3,013	-
· Pension Consultant and Administration Limited	28,817	502	14,147	24	27,012	9,422	-	9,422	-
· Anglo-Mauritius Financial Solutions Limited	47,116	582,178	40,174	-	46,500	40,798	-	40,798	8,000
· Anglo-Mauritius InvestmentManagers Limited	124,227	761	53,890	45	113,225	75,421	(873)	74,548	-
· Anglo-Mauritius Stockbrokers Limited	51,420	4,497	25,002	-	34,017	12,452	400	12,852	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST (CONT'D)

(f) Summarised financial information on subsidiaries (cont'd)

(ii) Summarised cash flow information:

Name of subsidiary	Operating activities Rs'000	Investing activities Rs'000	Financing activities Rs'000	Net increase/(decrease) in cash and cash equivalents Rs'000
2014				
· Manufacturers' Distributing Station Limited (group)	**1,954**	**(86)**	**(2,500)**	**(632)**
· Pension Consultant and Administration Limited	**6,668**	-	**(7,000)**	**(332)**
· Anglo-Mauritius Financial Solutions Limited	**45,725**	**(200)**	**(40,000)**	**5,525**
· Anglo-Mauritius Investment Managers Limited	**105,873**	**(190)**	**(40,000)**	**65,683**
· Anglo-Mauritius Stockbrokers Limited	**32,685**	**(13,523)**	**(6,500)**	**12,662**
2013				
· Manufacturers' Distributing Station Limited (group)	5,687	-	(2,500)	3,187
· Pension Consultant and Administration Limited	11,995	(489)	-	11,506
· Anglo-Mauritius Financial Solutions Limited	34,455	(839)	(33,000)	616
· Anglo-Mauritius Investment Managers Limited	73,087	(113)	-	72,974
· Anglo-Mauritius Stockbrokers Limited	12,881	(2,327)	(6,000)	4,554

The summarised financial information above is the amount before intra-group eliminations.

9. INVESTMENTS IN ASSOCIATED COMPANIES

		2014 Rs'000	2013 Rs'000
(a)	**The Company**		
	At January 1 and December 31,	**614**	614

(b) Group's share of net assets

	2014 Rs '000	2013 Rs '000
At January 1,	**39,892**	35,483
Share of results of associated companies	**379**	13,278
Dividends	**(2,170)**	-
Loan granted	**-**	10,615
Impairment of loan	**-**	(18,103)
Share of reserves	**1,182**	(1,381)
At December 31,	**39,283**	39,892

(c) Details of each of the material associates at the end of the reporting year, are as follows:

Name	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest Direct
2014/2013					
Swan Group Corporate Services Ltd	Dec-31	Secretarial	Port Louis	Mauritius	50%
Swan International Ltd	Dec-31	Reinsurance brokers and consultants	Port Louis	Mauritius	49%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

9. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(d) Summarised financial information in respect of each of the associated companies is set out below

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit after tax	Other comprehensive income for the year	Total comprehensive income for the year	Dividend received during the year
2014	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Swan Group Corporate Services Ltd	**3,671**	**95**	**1,772**	-	**883**	**120**	-	**120**	-
Swan International Ltd	**13,043**	**67,148**	**3,529**	-	-	**651**	**2,412**	**3,063**	**2,170**
2013									
Swan Group Corporate Services Ltd	3,642	126	1,894	-	1,063	146	-	146	-
Swan International Ltd	15,730	70,507	13,188	5,266	957	26,948	(2,819)	24,129	-

(e) Reconciliation of summarised financial information

Name	Opening net assets January 1,	Profit for the year	Other comprehensive income for the year	Other movement/ dividend	Closing net assets	Ownership interest	Interest in associates	Goodwill	Carrying value
2014	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
Swan Group Corporate Services Ltd	**1,875**	**120**	-	-	**1,995**	**50%**	**998**	-	**998**
Swan International Ltd	**78,028**	**651**	**2,412**	**(4,428)**	**76,663**	**49%**	**37,564**	**721**	**38,285**
2013									
Swan Group Corporate Services Ltd	1,729	146	-	-	1,875	50%	937	-	937
Swan International Ltd	80,811	26,948	(2,819)	(26,912)	78,028	49%	38,234	721	38,955

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

10. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP			
			2014	2013
	Held-to-maturity	Available-for-sale	Total	Total
(a) Local Securities	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	7,938,425	7,655,924	15,594,349	13,305,882
Additions	3,126,891	1,676,121	4,803,012	2,773,908
Increase in fair value	-	612,098	612,098	1,457,264
Disposals	-	(473,243)	(473,243)	(114,990)
Matured	(1,893,381)	-	(1,893,381)	(1,858,674)
Accrued interests	105,153	-	105,153	30,959
Exchange Differences	(739)	-	(739)	-
At December 31,	9,276,349	9,470,900	18,747,249	15,594,349

	Held-to-maturity	Available-for-sale	Total	Total
Foreign Securities	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	-	5,614,550	5,614,550	4,649,060
Additions	-	639,001	639,001	485,255
Increase in fair value	-	149,905	149,905	1,004,171
Disposals	-	(500,279)	(500,279)	(523,936)
At December 31,	-	5,903,177	5,903,177	5,614,550
Total	9,276,349	15,374,077	24,650,426	21,208,899

Analysed as follows:	2014	2013
	Rs'000	Rs'000
Non-current	22,642,522	19,805,540
Current	2,007,904	1,403,359
	24,650,426	21,208,899

(i)	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At December 31, 2014				
Available-for-sale	14,699,526	61,568	612,983	15,374,077
At December 31, 2013				
Available-for-sale	12,594,403	54,809	621,262	13,270,474

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

	THE COMPANY			
			2014	2013
(b) Local Securities	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
At January 1,	7,938,225	7,652,383	15,590,608	13,304,482
Additions	3,126,891	1,658,875	4,785,766	2,757,498
Increase in fair value	-	612,185	612,185	1,456,864
Disposals	-	(469,610)	(469,610)	(100,521)
Matured	(1,893,381)	-	(1,893,381)	(1,858,674)
Accrued interests	105,153	-	105,153	30,959
Exchange differences	(739)	-	(739)	-
At December 31,	9,276,149	9,453,833	18,729,982	15,590,608

Foreign Securities	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
At January 1,	-	5,614,547	5,614,547	4,649,057
Additions	-	639,001	639,001	485,255
Increase in fair value	-	149,905	149,905	1,004,171
Disposals	-	(500,279)	(500,279)	(523,936)
At December 31,	-	5,903,174	5,903,174	5,614,547
Total	9,276,149	15,357,007	24,633,156	21,205,155

Analysed as follows:	2014 Rs'000	2013 Rs'000
Non-current	22,625,252	19,801,796
Current	2,007,904	1,403,359
	24,633,156	21,205,155

(i)	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
At December 31, 2014				
Available-for-sale	14,682,456	61,568	612,983	15,357,007
At December 31, 2013				
Available-for-sale	12,590,859	54,809	621,262	13,266,930

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

10. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Listed and unquoted Debenture Stocks and Treasury Bills with interest rates varying from 7.00% to 12.25% (2013: 7.00% to 13.25%).

(d) Available-for-sale financial assets comprise of listed, quoted and unquoted financial assets.

(e) The Directors do not consider the investee companies with a shareholding in excess of 20% to be "Associated Companies" as The Anglo-Mauritius Assurance Society Limited does not exercise significant influence over these companies.

(f) None of the financial assets are either past due or impaired.

(g) The maturity of financial assets are disclosed in note 3.2.3.

11. LOANS AND RECEIVABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Loans on policies	**85,911**	91,325	**85,911**	91,325
Loans on residential properties	**2,949,308**	2,746,066	**2,949,308**	2,746,066
Loans on business properties	**1,932,105**	2,025,996	**1,932,105**	2,025,996
Cumulative accrued interests	**123,371**	122,797	**123,371**	122,797
Less impairment provision (see note (a) below)	**(54,184)**	(42,184)	**(54,184)**	(42,184)
	5,036,511	4,944,000	**5,036,511**	4,944,000
Loans to related corporations	**31,707**	17,330	**45,147**	30,770
	5,068,218	4,961,330	**5,081,658**	4,974,770
Analysed as follows:-				
Non-current	**4,687,974**	4,578,161	**4,701,414**	4,591,601
Current	**380,244**	383,169	**380,244**	383,169
	5,068,218	4,961,330	**5,081,658**	4,974,770

(a) Movements on the provisions for impairments of loans and receivables are as follows:

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs'000	Rs'000
At January 1,	**42,184**	28,556
Transfer	-	2,928
Charge for the year	**12,000**	10,700
At December 31,	**54,184**	42,184

(b) The rate of interest on loans vary from 6.0 % to 14.0% (2013: 6.0% to 14.0%).

(c) There is no concentration of credit risk with respect to loans and receivables since balances are widely dispersed.

(d) Loans and receivables are secured by guarantees. Impairment provision has been booked where recovery was estimated as doubtful.

(e) The ageing of loans and receivables is disclosed in note 3.2.2.

(f) The carrying amounts of loan and receivables approximate their fair values.

(g) The carrying value of loans and receivables that have been impaired is disclosed in note 3.2.2.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
· Receivables arising from insurance and reinsurance contracts:				
- Due from contract holders - Individuals	57,601	73,077	57,601	73,077
- Schemes	109,194	88,675	109,194	88,675
· Claims recoverable from Reinsurers	10,652	2,340	10,652	2,340
· Interest and other receivables	323,078	157,863	266,172	123,583
· Receivables from related parties:				
- Holding Company	13,477	1,775	13,477	1,775
- Subsidiary Companies	-	-	62,365	59,844
	514,002	323,730	519,461	349,294

(a) The ageing of trade and other receivables is disclosed in note 3.2.2.

(b) The other classes within trade and other receivables do not include impaired assets.

(c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(d) The Group does not hold any collateral security for trade and other receivables. Impairment provision has been booked where recovery was estimated as doubtful.

(e) The carrying value of trade and other receivables that have been impaired is disclosed in note 3.2.2.

(f) The carrying amounts of trade and other receivables approximate their fair values.

13. SHORT TERM DEPOSITS

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Short term deposits (note 26(b))	544,292	1,438,166	540,792	1,438,166

(a) Short term deposits comprise of foreign deposits, moneys-at-call and savings accounts. The rates of interest vary between 2.35% to 5.60%. (2013: 3.0% to 5.0%).

14. SHARE CAPITAL

	THE GROUP & THE COMPANY	
	2014 Rs'000	2013 Rs'000
At January 1 and December 31,	26,322	26,322

The total authorised number of ordinary share is 2,632,210 shares (2013: 2,632,210 shares) with a par value of Rs.10 per share (2013: Rs.10 per share). All issued shares are fully paid.

15. NON-CONTROLLING INTERESTS

	THE GROUP	
	2014 Rs'000	2013 Rs'000
At January 1,	134,793	125,148
Share of surplus (note 8(e))	23,599	17,740
Share of reserve (note 8(f))	(82)	(95)
Dividend paid	(9,000)	(8,000)
At December 31,	149,310	134,793

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

16. LIFE ASSURANCE FUND

(a) THE GROUP

	2014					2013				
	Surplus	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Total	Surplus	Fair value reserve	Other reserves	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1 - restated	**22,393,866**	**6,103,835**	**(12,125)**	**(59,967)**	**28,425,609**	20,584,413	3,718,124	(10,744)	(26,915)	24,264,878
Transfer to fair value reserve	-	-	-	-	-	(27,102)	27,102	-	-	-
Surplus on Life Assurance Fund for the year (page 59)	**1,856,338**	-	-	-	**1,856,338**	1,836,555	-	-	-	1,836,555
Change in value of available-for-sale financial assets	-	**762,003**	-	-	**762,003**	-	2,461,355	-	-	2,461,355
Release from fair value reserve	-	**(137,421)**	-	-	**(137,421)**	-	(102,746)	-	-	(102,746)
Share of reserves of associated company	-	-	**1,182**	-	**1,182**	-	-	(1,381)	-	(1,381)
Remeasurements of defined benefit obligations	-	-	-	**(1,054)**	**(1,054)**	-	-	-	(33,052)	(33,052)
At December 31,	**24,250,204**	**6,728,417**	**(10,943)**	**(61,021)**	**30,906,657**	22,393,866	6,103,835	(12,125)	(59,967)	28,425,609

(b) THE COMPANY

	2014					2013				
	Non-Linked	Linked	Fair value reserve	Actuarial gains/ (losses)	Total	Non-Linked	Linked	Fair value reserve	Actuarial gains/ (losses)	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1 - restated	**15,947,490**	**6,310,649**	**6,103,443**	**(58,394)**	**28,303,188**	15,273,798	5,223,533	3,718,052	(26,040)	24,189,343
Transfer to fair value reserve	-	-	-	-	-	(27,102)	-	27,102	-	-
Surplus on Life Assurance Fund for the year (page 59)	**791,125**	**1,008,858**	-	-	**1,799,983**	700,794	1,087,116	-	-	1,787,910
Change in value of available-for-sale financial assets	-	-	**762,090**	-	**762,090**	-	-	2,461,035	-	2,461,035
Release from fair value reserve	-	-	**(137,342)**	-	**(137,342)**	-	-	(102,746)	-	(102,746)
Remeasurements of defined benefit obligations	-	-	-	**(891)**	**(891)**	-	-	-	(32,354)	(32,354)
At December 31,	**16,738,615**	**7,319,507**	**6,728,191**	**(59,285)**	**30,727,028**	15,947,490	6,310,649	6,103,443	(58,394)	28,303,188

(c) The liability component of the Discretionary Participating Feature (DPF) within the Life Assurance Fund is included in the Non-Linked Account.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

16. LIFE ASSURANCE FUND (CONT'D)

Fair value reserve

Fair value reserve comprises of the cumulative net change in the fair value of available-for-sale financial assets that has been recognised in Life Assurance Fund until the investments are derecognised or impaired.

Other reserves

Other reserve is a translation reserve whereby differences obtained when translating the associate, Swan International Co. Limited and its investment, which have a functional currency different from that of the presentation currency of the Company, are accounted.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

17. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred taxes are calculated on all temporary differences under the liability method at 15% (2013: 15%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statement of financial position:

	THE GROUP	
	2014 Rs'000	2013 Rs'000
Deferred tax assets/(liabilities)	58	(69)

(b) The movement on the deferred tax account is as follows:

	THE GROUP	
	2014 Rs'000	2013 Rs'000
At 1 January (2013: restated)	(69)	652
Credited/(charged) to Life Assurance Fund (note 20)	91	(875)
Credited to actuarial gains/(losses) reserves	36	154
At December 31,	58	(69)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

17. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(c) The movement on the deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

Deferred tax assets/(liabilities):	Accelerated capital allowances	Retirement benefit obligation	Total
	Rs'000	Rs'000	Rs'000
At January 1, 2013 (restated)	253	399	652
Charged to Life Assurance Fund (note 20)	(316)	(559)	(875)
Credited to actuarial gains/(losses) reserves	-	154	154
At December 31, 2013	(63)	(6)	(69)
Charged to Life Assurance Fund (note 20)	41	50	91
Credited to actuarial gains/(losses) reserves	-	36	36
At December 31, 2014	**(22)**	**80**	**58**

18. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts recognised in the statements of financial position:				
Defined pension benefits (note (a)(ii))	**147,814**	132,414	**147,283**	132,451
Analysed as follows:				
Non-current liabilities	**147,814**	132,414	**147,283**	132,451
Amount charged to Life Assurance Fund:				
- Defined pension benefits (note (a)(v) & 23)	**15,300**	14,292	**14,972**	13,622
Amount charged to actuarial gains/(losses) reserves:				
- Defined pension benefits (note (a)(vi))	**1,131**	33,382	**891**	32,354

(a) Defined pension benefits

(i) The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are held independently and administered by The Anglo-Mauritius Assurance Society Limited.

The most recent actuarial valuation of the present value of the defined benefits obligations were carried out at December 31, 2014. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
(ii)	The amounts recognised in the statement of financial position are as follows:				
	Present value of funded obligations	**152,045**	136,486	**147,283**	132,451
	Fair value of plan assets	**(4,231)**	(4,072)	**-**	-
	Liability in the statements of financial position	**147,814**	132,414	**147,283**	132,451
	The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:				
	At January 1 (2013: restated)	**132,414**	107,884	**132,451**	105,219
	Amounts charged in the Life Assurance Fund	**15,300**	14,292	**14,972**	13,622
	Amounts charged in the actuarial gains/(losses) reserves	**1,131**	33,382	**891**	32,354
	Contribution paid	**(1,031)**	(23,144)	**(1,031)**	(18,744)
	At December 31	**147,814**	132,414	**147,283**	132,451

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
(iii)	The movement in the defined benefit obligation over the year is as follows:				
	At 1 January (2013: restated)	**136,486**	111,958	**132,451**	105,219
	Current service cost	**5,625**	3,972	**5,361**	3,595
	Past service cost	**-**	1,575	**-**	1,575
	Interest cost	**9,913**	8,868	**9,611**	8,452
	Actuarial (gains)/losses:				
	- Experience losses on the liabilities	**1,052**	3,876	**891**	3,733
	- Changes in assumptions underlying the present value of the scheme	**-**	29,408	**-**	28,621
	Benefits paid	**(1,031)**	(23,171)	**(1,031)**	(18,744)
	At December 31,	**152,045**	136,486	**147,283**	132,451

		THE GROUP		THE COMPANY	
		2014	2013	2014	2013
(iv)	The movement in the fair value of plan assets of the year is as follows:	Rs'000	Rs'000	Rs'000	Rs'000
	At 1 January (2013: restated)	**4,072**	4,074	**-**	-
	Expected return on plan assets	**280**	332	**-**	-
	Losses on pension scheme assets	**(79)**	(98)	**-**	-
	Employer contributions	**1,031**	23,144	**1,031**	18,744
	Scheme expenses	**-**	(170)	**-**	-
	Cost of insuring risks benefits	**(42)**	(39)	**-**	-
	Benefits paid	**(1,031)**	(23,171)	**(1,031)**	(18,744)
	At December 31,	**4,231**	4,072	**-**	-
	Actual return on plan assets	**201**	234	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
(v) Amounts recognised in the Life Assurance Fund are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	**5,625**	3,972	**5,361**	3,595
Past service cost	-	1,575	-	1,575
Net interest cost	**9,633**	8,536	**9,611**	8,452
Scheme expenses	-	170	-	-
Cost of insuring risks benefits	**42**	39	-	-
Total included in employee benefit expense (note 23)	**15,300**	14,292	**14,972**	13,622

	2014	2013	2014	2013
(vi) Amounts recognised in the actuarial gains/ (losses) reserve are as follows:	Rs'000	Rs'000	Rs'000	Rs'000
Experience losses on the liabilities	**1,052**	3,876	**891**	3,733
Changes in assumptions underlying the present value of the scheme	-	29,408	-	28,621
Losses on pension scheme assets	**79**	98	-	-
	1,131	33,382	**891**	32,354

(vii) The assets of the Group plan are invested in the Deposit Administration Policy underwritten by The Anglo-Mauritius Assurance Society Limited. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of return from one year to the next without the regular fluctuations associated with asset-linked investments such as Equity funds. Moreover, the Deposit Admnistration Policy offers a minimum guaranteed return of 4.0% pa.

The assets backing the Deposit Administration Policy form part of the Life Fund of Anglo-Mauritius so that the breakdown of the assets above corresponds to a notional allocation of the underlying investments based on long term strategic asset allocation of the policy.

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

	THE GROUP AND THE COMPANY	
	2014	2013
	%	%
Discount rate	**7.0**	7.0
Expected return on plan assets	**7.0**	7.0
Future long-term salary increases	**6.5**	6.5
Future guarantee pension increase	-	-
NPS ceiling increases	**6.5**	6.5
Post retirement annuity rates	**AMAS rates + 10%**	AMAS rates + 10%

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

18. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
(ix) Sensitivity analysis on defined benefit obligations at end of reporting period:	Rs'000	Rs'000	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	**14,364**	13,231	**13,717**	12,655
Increase due to 1% increase in future long-term salary assumption	**15,187**	13,943	**14,471**	13,308

The sensitivy analysis above has been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(x) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(xi) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xii) The Group and the Company expect to pay Rs 600,000 and nil respectively in contributions to its post-employment benefit plans for the year ending December 31, 2015.

(xiii) The weighted average duration of the defined benefit obligation is 10 - 15 years for the Group and 10 years for the Company at the end of the reporting period (2013 - Group: 10-15 years & Company: 10 years).

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
· Trade payables:				
- Insurance contracts	**82,236**	57,383	**82,236**	57,383
· Other payables and accruals	**354,078**	305,431	**305,222**	280,079
· Amounts due to related parties:				
- Holding company	**5,939**	14,725	**5,939**	14,725
- Subsidiary companies	**-**	-	**6,407**	17,904
	442,253	377,539	**399,804**	370,091

(a) Currency analysis of trade and other payables is disclosed in note 3.2.1.

(b) The carrying amounts of trade and other payables approximate their fair values.

20. TAXATION

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
(a) *Income tax charge*				
Current tax on the adjusted profit for the year at 15% (2013: 15%)	**23,758**	18,035	**-**	-
Alternative minimum tax (AMT)	**11,002**	11,002	**11,002**	11,002
Reversal of provision of previous years	**(7,503)**	(3,857)	**(7,503)**	(3,857)
Movement in deferred tax (note 17)	**(91)**	875	**-**	-
Tax charge for the year	**27,166**	26,055	**3,499**	7,145

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

20. TAXATION

(b) The tax on the Group's surplus before tax differs from the theoretical amount that would arise using the basic tax rate of the Group's as follows:

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Surplus before taxation	**2,114,795**	1,919,350	**2,011,174**	1,834,055
Less share of results of associate	**(379)**	(13,278)	**-**	-
Less Company surplus for the year	**(2,011,174)**	(1,834,055)	**-**	-
Add dividend income from related parties	**99,670**	88,000	**-**	-
	202,912	160,017	**2,011,174**	1,834,055
Tax calculated at 15% (2013:15%)	**30,437**	24,003	**-**	-
Income not subject to tax	**(7,748)**	(6,590)	**-**	-
Expenses not deductible for tax purposes	**978**	1,497	**-**	-
Reversal of provision of previous years	**(7,503)**	(3,857)	**(7,503)**	(3,857)
Alternative minimum tax (AMT)	**11,002**	11,002	**11,002**	11,002
	27,166	26,055	**3,499**	7,145

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
(c) *Current tax liabilities*				
Balance as at January 1,	**15,594**	10,284	**7,713**	3,857
Current tax on the adjusted profit for the year at 15% (2013: 15%)	**23,758**	18,035	**-**	-
Alternative minimum tax (AMT)	**11,002**	11,002	**11,002**	11,002
Reversal of provision of previous years	**(7,503)**	(3,857)	**(7,503)**	(3,857)
Amount paid during the year	**(9,540)**	(8,834)	**-**	-
Tax deducted at source	**(2,095)**	-	**(2,095)**	-
Payment under Advance Payment System (APS)	**(12,178)**	(11,036)	**(1,116)**	(3,289)
	19,038	15,594	**8,001**	7,713

21. INVESTMENT INCOME

	THE GROUP		THE COMPANY			
	2014	2013			2014	2013
			Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	**1,072,326**	996,697	**669,822**	**399,405**	**1,069,227**	994,088
Dividend income	**233,794**	183,426	**228,813**	**51,180**	**279,993**	224,860
	1,306,120	1,180,123	**898,635**	**450,585**	**1,349,220**	1,218,948

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

22. OTHER INCOME

	THE GROUP		THE COMPANY			
	2014	2013			2014	2013
			Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	**350,456**	132,151	**340,260**	**9,782**	**350,042**	131,941
Miscellaneous income	**477**	157	**126**	-	**126**	-
Loss on disposal of investment property	**(618)**	-	**(618)**	-	**(618)**	-
Profit on disposal of property and equipment	**708**	295	**708**	-	**708**	295
	351,023	132,603	**340,476**	**9,782**	**350,258**	132,236

23. MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Marketing and administrative expenses include:				
- Contribution in respect of Corporate Social Responsibility	**3,374**	3,617	**1,130**	1,805
- Internal auditors' fees	**1,077**	184	**690**	184
- Staff costs (see note (a) below)	**180,672**	174,312	**152,743**	148,038
(a) Analysis of staff costs:				
Salaries and wages	**111,815**	113,054	**88,976**	92,338
Retirement benefit obligations (restated):				
- defined benefit plan (note 18(a)(v))	**15,300**	14,292	**14,972**	13,622
- defined contribution plan	**2,365**	2,092	**1,499**	1,315
Other costs	**51,192**	44,874	**47,296**	40,763
	180,672	174,312	**152,743**	148,038

24. DIVIDEND PAYABLE

	THE COMPANY	
	2014	2013
	Rs'000	Rs'000
Declared and payable		
Final dividend of Rs 41.80 per ordinary share (2013: Rs 41.80).	**110,026**	110,026

25. EARNINGS PER SHARE

	THE GROUP AND THE COMPANY	
	2014	2013
Earnings attributable to shareholders is based on:	Rs'000	Rs'000
- Amount transferred from Life Assurance Fund	**55,231**	43,992
- Interest allocated	**15,082**	6,921
- Amount transferred to Proprietors' Fund	**42,000**	39,000
	112,313	89,913
Number of shares in issue	**2,632,210**	2,632,210
Earnings per share	**42.67**	34.16

The above amount of Rs. 55.2m (2013: Rs. 43.9m) represents one-third of the total amount transferred from the Life Assurance Fund to the Proprietors' Fund following the actuarial valuation at December 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

26. NOTES TO THE CASH FLOW STATEMENTS

		Notes	THE GROUP		THE COMPANY	
			2014	2013	2014	2013
			Rs'000	Rs'000	Rs'000	Rs'000
(a)	**Cash generated from operations**					
	Surplus on Life Assurance Fund		**2,114,795**	1,919,350	**2,011,174**	1,834,055
	Adjustments for:					
	Depreciation on property and equipment	5	**15,504**	14,166	**14,666**	13,185
	Depreciation on investment properties	6	**11,545**	11,457	**11,545**	11,457
	Amortisation of intangible assets	7	**8,259**	12,317	**2,354**	6,444
	Profit on sale of property and equipment	22	**(708)**	(295)	**(708)**	(295)
	Loss on sale of investment properties	22	**618**	-	**618**	-
	Impairment of loan to associate/loan and receivables	9	**-**	18,103	**-**	18,103
	Impairment charged on loans for the year	11	**12,000**	10,700	**12,000**	10,700
	Impairment charged on receivables		**5,000**	-	**5,000**	-
	Interest allocated to proprietors' fund		**15,082**	6,921	**15,082**	6,921
	Investment income	21	**(1,306,120)**	(1,180,123)	**(1,349,220)**	(1,218,948)
	Net (gain)/loss on exchange		**(10,626)**	40,551	**(10,626)**	40,551
	Profit on sale of financial assets	22	**(350,456)**	(132,151)	**(350,042)**	(131,941)
	Change in accrued interest		**(105,727)**	(42,380)	**(105,727)**	(42,380)
	Changes in working capital (excluding the effects of acquisition and disposal):					
	- Trade and other receivables		**(161,764)**	(32,303)	**(136,123)**	(66,391)
	- Trade and other payables		**63,714**	(24,749)	**29,713**	(22,784)
	- Retirement benefit obligations	18	**14,269**	(8,852)	**13,941**	(5,122)
	- Outstanding claims		**30,855**	14,121	**30,855**	14,121
	Share of results of associated companies net of dividend		**1,791**	(13,278)	**-**	-
	Cash generated from operations		**358,031**	613,555	**194,502**	467,676

(b)	**Cash and cash equivalents**	THE GROUP		THE COMPANY	
		2014	2013	2014	2013
		Rs'000	Rs'000	Rs'000	Rs'000
	Short term deposits (note 13)	**544,292**	1,438,166	**540,792**	1,438,166
	Cash and cash equivalents	**305,147**	411,835	**61,122**	247,216
		849,439	1,850,001	**601,914**	1,685,382

27. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2014	2013
	Rs'000	Rs'000
Outstanding commitments for the following:-		
Loans to be granted	**195,094**	116,900
Investments in freehold properties	**24,700**	41,500
	219,794	158,400

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

28 HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan Insurance Company Ltd, which owns 76.59% of the Company's share capital, as the Holding and Ultimate Holding Company. The remaining shares are widely held. The Company is incorporated in Mauritius and its registered office is situated at Swan Group Centre, Intendance Street, Port Louis.

29. SEGMENT INFORMATION

The Company is in itself an operating segment and strategic business unit of the Swan Group. It carries exclusively long term insurance business, which is reported to the Chief Executive Officer.

30. RELATED PARTY TRANSACTIONS

(a) THE GROUP

	Sales of services Rs'000	Investment income Rs'000	Financial assets Rs'000	Loans/ Deposits Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2014						
Holding company	-	-	-	140,687	13,477	5,939
Associated companies	-	-	39,283	13,440	4,022	-
Other related companies	-	-	20,000	31,707	7,468	-
Shareholders with significant influence	-	21,337	468,747	300,000	51	-
Key management personnel	1,881	331	-	4,982	27	-
	1,881	21,668	528,030	490,816	25,045	5,939

	Sales of services Rs'000	Investment income Rs'000	Financial assets Rs'000	Loans/ Deposits Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2013						
Holding company	-	-	-	-	1,775	14,725
Associated companies	-	-	39,892	13,440	1,640	-
Other related companies	-	-	20,000	17,330	14,653	-
Shareholders with significant influence	-	19,424	557,302	300,000	1,942	-
Key management personnel	1,469	-	-	5,411	370	-
	1,469	19,424	617,194	336,181	20,380	14,725

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

30. RELATED PARTY TRANSACTIONS (CONT'D)

(b) THE COMPANY

	Sales of services Rs'000	Investment income Rs'000	Management fees paid Rs'000	Financial assets Rs'000	Loans/ Deposits Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2014							
Holding company	-	-	-	-	140,687	13,477	5,939
Subsidiary companies	-	44,495	79,248	540,012	-	62,365	6,407
Associated companies	-	2,170	-	614	13,440	4,022	-
Other related companies	-	-	-	20,000	31,707	7,468	-
Shareholders with significant influence	-	21,337	-	468,747	300,000	51	-
Key management personnel	1,881	331	-	-	4,982	27	-
	1,881	68,333	79,248	1,029,373	490,816	87,410	12,346

	Sales of services Rs'000	Investment income Rs'000	Management fees paid Rs'000	Financial assets Rs'000	Loans/ Deposits Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2013							
Holding company	-	-	-	-	-	1,775	14,725
Subsidiary companies	-	41,495	55,956	540,012	-	59,844	17,904
Associated companies	-	-	-	614	13,440	1,640	-
Other related companies	-	-	-	20,000	17,330	14,653	-
Shareholders with significant influence	-	19,424	-	557,302	300,000	1,942	-
Key management personnel	1,469	-	-	-	5,411	370	-
	1,469	60,919	55,956	1,117,928	336,181	80,224	32,629

The related party transactions are within the normal course of the business at rate varying between 6% and 14%, secured by life policies of the party.

(c) Key management personnel compensation

	THE GROUP		THE COMPANY	
	2014 Rs'000	2013 Rs'000	2014 Rs'000	2013 Rs'000
Salaries and short-term employee benefits	28,235	30,426	17,759	20,786
Post-employment benefits	1,455	1,240	716	716
	29,690	31,666	18,475	21,502

(d) The terms and conditions in respect of receivables and payables have been disclosed under respective notes. For the year ended 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: Nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

30. RELATED PARTY TRANSACTIONS (CONT'D)

31. EVENTS AFTER THE REPORTING PERIOD

Change of name

A special meeting of Shareholders was held on March 9th, 2015, whereby a special resolution was approved which resolved that the name of the Company be changed from " The Anglo-Mauritius Assurance Society Limited" to "Swan Life Ltd". An application will shortly be submitted to the Registrar of Companies to this effect. The effective date of the name change will be the date on which the Registrar of Companies issues the certificate.

32. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2014	2013	2012	2014	2013	2012
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Life Assurance Fund			Restated			Restated
Gross premiums	**2,598,749**	2,541,153	2,286,160	**2,598,749**	2,541,153	2,286,160
Net premiums	**2,444,064**	2,363,115	2,163,414	**2,444,064**	2,363,115	2,163,414
Consideration for annuities	**462,656**	384,483	399,233	**462,656**	384,483	399,233
Investment and other income	**2,014,059**	1,655,690	1,363,001	**1,916,536**	1,572,842	1,781,416
Share of profit/(loss) of associates	**379**	13,278	(117)	**-**	-	-
	4,921,158	4,416,566	3,925,531	**4,823,256**	4,320,440	4,344,063
Surplus for the year before taxation	**2,114,795**	1,919,350	1,681,814	**2,011,174**	1,834,055	2,110,916
Taxation	**(27,166)**	(26,055)	(22,326)	**(3,499)**	(7,145)	(9,895)
Surplus for the year	**2,087,629**	1,893,295	1,659,488	**2,007,675**	1,826,910	2,101,021
Surplus allocated as follows:						
- Life Assurance Fund	**1,856,338**	1,836,555	1,618,365	**1,799,983**	1,787,910	1,598,692
- Proprietors' fund	**207,692**	39,000	33,900	**207,692**	39,000	33,900
- Other reserves	**-**	-	-	**-**	-	468,429
- Non-controlling interests	**23,599**	17,740	7,223	**-**	-	-
	2,087,629	1,893,295	1,659,488	**2,007,675**	1,826,910	2,101,021
Dividends	**110,026**	110,026	80,019	**110,026**	110,026	80,019
Earnings attributable to shareholders	**112,313**	89,913	90,269	**112,313**	89,913	90,269
Statement of Financial Position						
Non-current assets	**28,317,488**	25,386,161	20,335,105	**28,645,027**	25,721,070	20,688,566
Current assets	**3,751,589**	3,960,259	4,843,742	**3,509,523**	3,821,204	4,740,919
	32,069,077	29,346,420	25,178,847	**32,154,550**	29,542,274	25,429,485
Share capital	**26,322**	26,322	26,322	**26,322**	26,322	26,322
Proprietors' fund	**134,145**	21,397	85,502	**134,145**	21,397	85,502
Reserves	**61,214**	61,214	61,214	**529,643**	529,643	529,643
Non-controlling interests	**149,310**	134,793	125,148	**-**	-	-
Life Assurance Fund	**30,906,657**	28,425,609	24,264,878	**30,727,028**	28,303,188	24,189,343
Non-current liabilities	**220,112**	173,926	135,206	**219,581**	173,894	132,541
Current liabilities	**571,317**	503,159	480,577	**517,831**	487,830	466,134
	32,069,077	29,346,420	25,178,847	**32,154,550**	29,542,274	25,429,485

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2014
(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

DIRECTORS OF THE COMPANY

Mr. M.E. Cyril MAYER - Chairperson
Mr. M.D. Pierre DINAN, G.O.S.K.
Mr. M.M. Hector ESPITALIER-NOËL
Mr. M.H. Philippe ESPITALIER-NOËL
Mr. M.D. Henri HAREL
Mr. J.M. René LECLÉZIO
Mr. Peroomal Gopallen MOOROOGEN
Mr. J.M. Louis RIVALLAND - Group Chief Executive
Mr. Victor C. SEEYAVE

DIRECTORS OF THE SUBSIDIARY COMPANIES

Manufacturers' Distributing Station Limited

Mr. M.E. Cyril MAYER
Mr. J.M. Louis RIVALLAND
Mr. Gerald E.R.J. LINCOLN

Pension Consultants and Administrators Ltd.

Mr. M.E. Cyril MAYER
Mr. J.M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROOGEN

Anglo-Mauritius Investment Managers Limted

Mr. M.E. Cyril MAYER
Mr. J.M. Louis RIVALLAND
Mr. Peroomal Gopallen MOOROOGEN

Swan Group Foundation

Mr. M.E. Cyril MAYER
Mr. J.M. Louis RIVALLAND

Anglo-Mauritius Financial Solutions Limited

Mr. J.M. Louis RIVALLAND
Mr. D.P.A. Maxime REY
Mr. Ziyad Abdool Raouf BUNDHUN

Anglo-Mauritius Stockbrokers Limited

Mr. D.P.A. Maxime REY
Mr. Jaiyansing SOOBAH

OTHER STATUTORY DISCLOSURES

FOR THE YEAR ENDED DECEMBER 31, 2014

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiary Companies have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received, or due and receivable:

- Directors of The Anglo-Mauritius Assurance Society Limited

	From the Company		From Subsidiaries	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Executive Directors				
- Full-time	5,821	4,854	6,284	5,242
Non-executive Directors	783	783	36	24
	6,604	5,637	6,320	5,266

	From the Subsidiaries	
	2014	2013
	Rs'000	Rs'000
- Directors of subsidiary companies who are not directors of the Company		
- Non-executive Director	5	5

DONATIONS

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Political donations	1,875	-	1,875	-
Charitable donations	52	50	5	50

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company or one of its subsidiaries was a party and in which a Director of the Company was materially interested either directly or indirectly.

AUDITORS' FEES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees paid to:				
- BDO & Co	1,729	1,829	1,405	1,509
- Other firms	92	83	-	-
	1,821	1,912	1,405	1,509
Fees paid for other services to BDO & Co:				
- Review of statutory return	120	111	120	111
	120	111	120	111

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders (the "Meeting") of Swan Life Ltd (the "Company", *previously known as The Anglo Mauritius Assurance Society Limited*) will be held on 24 June 2015 at 10.00 hours on the 6th Floor of Swan Centre, 10, Intendance Street, Port Louis to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

AGENDA

1. To consider the 2014 Annual Report of the Company.
2. To receive the report of Messrs. BDO & Co, the external auditors of the Company.
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2014.
4. To re-elect as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, G.O.S.K, who offers himself for re-election.
5. To re-appoint Messrs. BDO & Co as auditors of the Company in compliance with Section 40(3) of the Insurance Act 2005 for the ensuing year and to authorise the Board of Directors to fix their remuneration.
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2014.

BY ORDER OF THE BOARD

Jaiyansing Soobah
for Swan Corporate Affairs Ltd
Company Secretary
4 May 2015

Notes:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company not less than twenty-four (24) hours before the start of the meeting and in default, the instrument of proxy shall not be treated as valid.*
3. *A proxy form is included in this Annual Report and is also available at the registered office of the Company.*
4. *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 27 May 2015.*

PROXY FORM

I/We

of

being a member/members of Swan Life Ltd ("the Company", ***previously known as The Anglo Mauritius Assurance Society Limited***), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to represent me/us and vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held on the 6th Floor of Swan Centre, 10 Intendance Street, Port Louis on 24 June 2015 at 10.00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To consider the 2014 Annual Report of the Company.			
2. To receive the report of Messrs. BDO & Co, the auditors of the Company.			
3. To consider and adopt the audited financial statements of the Company and the Group for the year ended 31st December 2014.			
4. To re-elect as Director of the Company to hold office until the next Annual Meeting, in accordance with Section 138(6) of the Companies Act 2001, Mr. Pierre Dinan, G.O.S.K., who offers himself for re-election.			
5. To re-appoint Messrs. BDO & Co as auditors of the Company for the ensuing year in compliance with Section 40 (3) of the Insurance Act 2005 and to authorise the Board of Directors to fix their remuneration.			
6. To ratify the remuneration paid to the auditors for the financial year ended 31st December 2014.			

Signed this day of 2015.

Signature(s)

Notes:

1. *A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.*
2. *If the instrument appointing a proxy or any general power of attorney is returned without an indication as to how the proxy shall vote on any particular resolution, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*
3. *To be valid, the instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Registered Office of the Company, Swan Centre, 10 Intendance Street, Port-Louis 24 hours before the time fixed for holding the Annual Meeting.*

Swan Life Ltd Swan Centre
10 Intendance Street
Port Louis, Mauritius
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F (230) 208 8956
W swanforlife.com