



Swan Insurance Company Limited

annual report 2001



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Swan Insurance Company Limited

annual report 2001

Securing
tomorrow
today

Notice of Meeting to Shareholders

47th Annual Meeting

Notice is hereby given that the **forty - seventh Annual Meeting** of the Company will be held on **Friday 28th June 2002 at 10.15 hours** at the Registered Office of the Company, Swan Group Centre, Intendance Street, Port Louis to transact the following business:

1. To adopt the minutes of proceedings of the last Annual Meeting held on 22nd June 2001.
2. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group at 31st December 2001.
3. To re-appoint Mr. Jean Marc Harel, F.C.A., of De Chazal du Mée & Co. as Auditor of the Company until the conclusion of the next Annual Meeting and to fix his remuneration.
4. To re-appoint Mr. M.H.Patrick Guimbeau as Director of the Company until the next Annual Meeting in compliance with Section 138(6) of the Companies Act 2001.
5. To elect Mr. J.L. Philippe de Chasteauneuf as Director of the Company.
6. To elect Mr. Thierry Lagesse as Director of the Company.
7. To elect as a Director of the Company Sir René Seeyave, Kt, C.B.E., who retires by rotation and offers himself for re-election.
8. To fix the Directors' remuneration.

By order of the Board of Directors
Jean Paul CHASTEAU DE BALYON
Assistant Executive Manager (Admin) &
Company Secretary

17th May 2002.
Swan Group Centre,
Port Louis,
Mauritius.

N.B. Members entitled to attend and vote at the meeting may appoint proxies, whether members of the Company or not, to attend and vote for them. 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 hours before the day fixed for the meeting or else the instrument of proxy shall not be treated as valid.

Directorate and Management



From left to right: Noël Adolphe VALLET, Cyril MAYER, M.H. Patrick GUIMBEAU, J. Cyril LAGESSE, J.M. Antoine HAREL, Sir René SEEYAVE, Me. Pierre DOGER DE SPÉVILLE, P.Arnaud DALAIS, M.M. Hector ESPITALIER-NOËL.

Directors

- J.M.Antoine HAREL, F.C.A. - Chairman
- J. Cyril LAGESSE
- Sir René SEEYAVE, Kt., C.B.E.
- M.H. Patrick GUIMBEAU
- M.M. Hector ESPITALIER-NOËL, A.C.A.
- P.Arnaud DALAIS
- Cyril MAYER, B. Com., C.A. (S.A.)
- Me. Pierre DOGER DE SPÉVILLE
- Noël Adolphe VALLET

Group Chief Executive

Jean DE FONDAUMIÈRE, C.A.

Executive Manager

Paul ROUSSET, A.C.I.I.

Assistant Executive Manager (Administration) & Company Secretary

Jean Paul CHASTEAU DE BALYON

Registered Office

Swan Group Centre
Intendance Street
Port Louis

Consultants to the Group Chief Executive

- Josie LAPIERRE, D.E.A. (Stratégie et Management)
- Louis RIVALLAND, B.Sc. Hons., F.I.A.



Senior Managers

Jean Marc CHEVREAU – Technical
 Suzanne CHUNG TAK LUN – Information Technology
 Guy DE GAYE – Commercial
 Gilles HERBEREAU DE LACHAISE – Marine
 Michel THOMAS, F.C.I.I., MCI Arb – Research & Development
 Pierre XAVIER -Accounts

Managers

Patrick ANDRÉ – Health and Travel
 Sophie DECOTTER, B.Soc.Sc. – Human Resources
 Rémi DESVAUX DE MARIGNY – Commercial
 Valérie DUVAL, LLB (Hons.) – Claims
 Krishen GOWRY – Motor
 Philippe LO FAN HIN, F.C.I.I. – Reinsurance and Statistics
 Ishwari MADHUB, F.C.C.A. – Systems Analyst
 Gilbert MONTENOT – Maintenance
 Gilbert REY – Fire and Accident

Assistant Managers

Clency APPADOO, A.C.I.I. - Commercial
 Trilok BHURTUN, A.C.C.A. –Accounts
 Paul CHUTTOO, A.C.I.I. – Reinsurance and Statistics
 Gérard LO FONG, A.C.I.I. – Reinsurance and Statistics
 Bruno NALLETAMBY, A.C.I.I., Grad I.C.S.A. – Marine
 Ashley NUCKCHADY – Motor
 Nasser PANCHAMEAH – Marine
 Jean Yves VIOLETTE – Claims
 Gilbert XAVIER – Health and Travel



J.M. Antoine HAREL, F.C.A. - Chairman

Chairman's Statement and Directors' Report

On behalf of the Board of Directors, I am pleased to submit the 47th Annual Report and Audited Financial Statements of Swan Insurance Company Limited and of the Group, for the Financial Year ended 31st December 2001.

Corporate Profile

The Swan Group, the market leader in the insurance sector in Mauritius, operates through Swan Insurance Company Limited for general insurance business and The Anglo-Mauritius Assurance Society Limited for life assurance, pension and fund administration business. A full range of insurance products and services has been developed over the years to serve the needs of corporate and individual clients. The activities of the Group date back from 1854 on the incorporation of The Mauritius Fire Insurance Co. Ltd. and 17 years later of the Colonial Fire Insurance Co. Ltd. Swan Insurance Company Limited was incorporated in March 1955 to take over the activities of Mauritius Fire and Colonial Fire. Since February 1972, Swan Insurance Company Limited has acquired the majority shareholding of The Anglo-Mauritius Assurance Society Limited. The Group's Gross Premium Income amounted to Rs. 1.2 billion at 31st December 2001. Assets under the management of the Swan Group amounted to Rs. 6.8 billion and the Life Assurance Fund reached Rs. 6.2 billion at 31st December 2001. Reserves of the Swan Group stood at Rs. 410.9 million in 2001 and that of the Company at Rs. 397.9 million in 2001. Investments are made in key sectors of activity namely tourism, real estate, sugar, trade and financial services in Mauritius and in the region. The Group participates actively in the socio-economic development of the country by granting loans for the construction or purchase of residential and business properties. Residential loans granted to policyholders amounted at 31st December 2001 to Rs. 1.9 billion and loans on business properties totalled Rs. 435 million at 31st December 2001. The Group caters for the insurance requirements of its clients in the region either within its treaty capacities or through Swan International, a wholly owned offshore subsidiary of the Swan Group.

By securing the services of AON, an international reinsurance broker, and of a panel of leading global reinsurers, the Group has a worldwide access to reinsurance markets and is therefore capable of offering first class security to clients.

Since December 1990, Swan Insurance Company Limited has been quoted on the Mauritian Stock Exchange. Market capitalisation at 31st December 2001 was Rs. 316 million.

Consequences of the 11th September 2001 events for Insurers and Reinsurers

The 11th September 2001 events have had a major influence on the risk evaluation exercise.

The extent of damage incurred in the property sector and to an even greater degree the accumulation of losses from a diverse range of insurance classes have necessitated a fundamental reorientation with regards to the policy coverage in relation to political risks. As a result, the cost of transferring the risks and buying insurance and reinsurance covers of international standards has increased quite substantially.

Insurers and reinsurers are now bound to reassess the risk environment and to develop alternative rules and underwriting techniques.

New Regulatory and Legal Framework

A new regulatory and legal framework has been set up for the financial services sector in Mauritius with the adoption of The Financial Services Development Act 2001. The Act provides for the establishment of a Financial Services Commission (FSC) to regulate the non-bank financial services. A Financial Services Promotion Agency (FSPA) was established in view of promoting the development of the financial services industry in Mauritius.

The ultimate objective is to merge the FSC and the Bank of Mauritius in view of developing a global regulatory and legal framework applicable to banking and non-banking financial services.

The regulative and legislative reforms which are being undertaken by the financial services sector are in line with international standards and are reinforced by the adoption of recent legislation namely the Trusts Act 2001, the Companies Act 2001 and the New Listing Rules.

Corporate Governance

The Board of Directors of Swan Insurance is committed to achieving high standards of corporate governance. Integrity and accountability are core values to ensure that stakeholders' interests are safeguarded and the Company is managed ethically. Good corporate governance is critical to creating an attractive business environment in Mauritius compatible with the standards set by institutions like the Organisation for Economic Co-operation and Development (OECD), the World Bank and the International Monetary Fund (IMF).

The Board consists of nine Non-Executive Directors inclusive of the Chairman. They are from different professional backgrounds and are engaged in a variety of sectors of industrial and commercial activities. The Group Chief Executive is not a member of the Board.

The Board, which meets on a monthly basis, retains full and effective control over the Group and is also responsible for monitoring the activities of the Executive Management. Operational responsibility rests with the Executive Management.

Swan Insurance has set up internal control processes which are designed to provide reasonable assurance to the Board of Directors regarding the following:

- Protection of policyholders' interests
- Safeguarding of Shareholders' investments and Company's assets
- Quality of financial reporting
- Compliance with laws and regulations
- Effective risk management within the Company.

The Board subscribes to effective sharing of relevant information with employees and to employee involvement and empowerment. The Company is committed to providing equal opportunities to all employees irrespective of sex, marital status, race, ethnic origin or disability. This commitment extends to recruitment, training, career development and promotion.

A task force has been established in the Group in view of drafting a code of conduct and facilitating the process implementation. Upon finalisation of the code of conduct, it will be adopted by the Board of Directors. Mechanisms and policies will then be prepared to guarantee compliance with the code of conduct.

Dividends

The Directors recommended the payment of a dividend of Rs. 26.9 million for the year to 31st December 2001 (Rs. 23.3 million in 2000) which results in a dividend yield of 8.5% on market value at 31st December 2001.

Auditors

Jean Marc Harel of De Chazal du Mée & Co. has expressed his willingness to continue in office as Auditor and a resolution proposing his re-appointment will be submitted at the next Annual Meeting.

Directorate

Mr. Gil de Sornay, who had expressed the wish of retiring from the Board of Anglo-Mauritius Assurance, resigned on 31st December 2001. The Directors would like to place on record their appreciation of the most valuable contribution of Mr. de Sornay for the 44 years during which he has been associated with the Group and to wish him a happy retirement.

Acknowledgements to our key partners and employees

We are pleased to acknowledge the professional assistance of AON, the Company's International Reinsurance Brokers and of its Reinsurers, Legal Advisers, Auditors and Consulting Actuaries.

Our management and our employees have continued to show their dedication and commitment to the Company. On behalf of the Board and of the Shareholders, I would like to thank them. We also express our gratitude to our agents and local insurance brokers.

J.M. Antoine HAREL, F.C.A.
Chairman



Jean DE FONDAUMIÈRE, C.A.

Group Chief Executive's Review

Our position in the market

We are evolving in an ever changing business environment: competition is intensifying in all markets, technology is driving fundamental changes and new entrants are positioning themselves in the financial services industry. The adoption of The Financial Services Development Act in 2001 offers challenging opportunities in existing and new lines of business with the integration in time of bank and non-bank financial services. Although the past year has in many ways been a difficult one for financial services businesses worldwide, we are prepared to face the future with confidence. We are aiming at consolidating our market share in our traditional markets while developing targeted marketing approaches in niche segments of the financial services sector. We are offering insurance services to a wide range of companies belonging to key sectors of the economy and ranking among the Top 100 Mauritian companies.

Strategic rethinking processes initiatives are being implemented across the Company to assess the way we conduct business and the core competencies we need to enhance in view of working out a systemic adaptability to change.

A customer centric approach has been adopted whereby the client is put at the heart of the organisation. More focus is being placed on customer needs and expectations in terms of coverage related to commercial risks, pension administration, investment options or individual protection.

Economic Highlights

The economic growth rate for the calendar year 2001 is estimated at 5.8% compared to 8.9% for 2000. This is mainly due to the lower performance in sugar production, EPZ exports, tourism and construction, even if indicators show a positive basic growth. The growth rate is forecast at 4.6% for 2002.

The agricultural sector increased by 8.1%, the EPZ sector by 4%, the wholesale and retail trade by 3.2%, the hotels and restaurants by 1.0% and the financial services sector by 13.6%, due to the high growth of offshore banks.

The insurance sector growth rate has remained quite constant for the past two years at 5.0% and is expected to increase in 2002 following the hardening of rates on the international insurance market.

Total investment for 2001 reached Rs. 30.0 billion, which represents an increase of 7.1% compared to 2000 (Rs. 28.1 billion), but in real terms it grew by 3.3%.

Forecasts for 2002 show an increase of 5.0% at Rs. 31.5 billion, with a growth of 1.8% in real terms and 5.6% by excluding the purchase of an aircraft.

The investment rate has been in decline for the past three years from 27.5% in 1999 to 22.7% in 2001. It is expected to decrease to 22.0% in 2002.

The inflation rate for 2001 was at 5.4% compared to 4.2% in 2000. The inflation rate is forecast at 6.4% for 2001-2002.

The total labour force including expatriates was about 538,500, representing an increase of 1.9% compared to 2000. Male labour force turned around 352,100 and female labour force about 186,400.

Unemployment rate was estimated at 9.2% (8.8% for males and 10.1% for females) compared to 8.8% in 2000.

GDP per capita was estimated at Rs. 112,610 compared to Rs. 102,447 in 2000 which indicates an increase of 9.9%.

Source: Central Statistical Office, Bank of Mauritius

Financial Highlights

Group

The Group's Gross Premium Income at 31st December 2001 amounted to Rs. 1,160.6 million, representing an increase of 8.1% (Rs. 1,073.8 million in 2000). However, the Net Earned Premiums decreased from Rs. 680.9 million in 2000 to Rs. 626.6 million this year.

The Profit After Tax increased to Rs. 70.2 million in 2001, representing an increase of 11.1% (Rs. 63.2 million in 2000).

Total assets under the management of the Swan Group amounted to Rs. 6.8 billion at 31st December 2001 (Rs. 6.0 billion in 2000) and thus increased by 13.9%. This is mainly due to the growth of 15.1% of the Life Assurance Fund which amounted to Rs. 6.2 billion at 31st December 2001 (Rs. 5.4 billion in 2000) and to the retained profits of Rs. 29.7 million transferred to the General Reserves (Rs. 299.7 million for 2001).

The Net Assets Value per Share amounted to Rs. 62.29 in 2001 (Rs. 59.76 in 2000) and the Earnings per Share increased by 11.4% at Rs. 8.30 compared to Rs. 7.45 in 2000.

Company

The Company's Gross Premium Income as at 31st December 2001 stood at Rs. 461.6 million, a reduction of 4.16% over December 2000, mainly due to temporary insurances not renewed during the year. Net Earned Premiums reached Rs. 178.6 million while claims incurred were reduced to Rs. 101.7 million (Rs. 108.5 million in 2000). Investment income increased to Rs. 58.4 million (Rs. 53.2 million in 2000) mainly due to foreign currency translation and Profit Before Tax increased to Rs. 69.2 million (Rs. 63.0 million in 2000).

Increased dividends of Rs. 3.75 per share (Rs. 3.25 in 2000) have been paid to the shareholders. Amounts of Rs. 3.0 million and Rs. 29.8 million were transferred to the Statutory Reserve Fund and General Reserves respectively.

Reserves stood at Rs. 397.9 million in 2001 compared to Rs. 365.1 million in 2000.

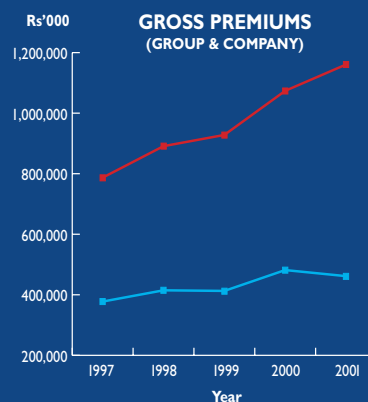
The insurance market

Signs of a hardening reinsurance market noted during 2001 have amplified after the unfortunate events of the 11th September 2001. The terrorist attacks in the United States have resulted in the largest insurance losses ever recorded. The Reinsurance markets will be called upon to meet losses in the region of USD 50 billion and this catastrophe has already impacted on the availability and cost of International Reinsurance.

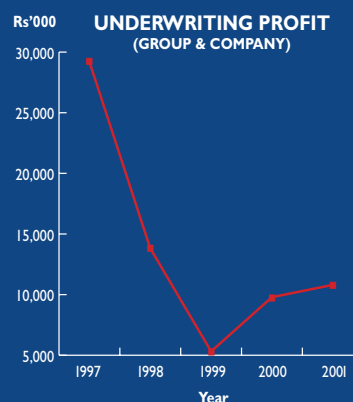
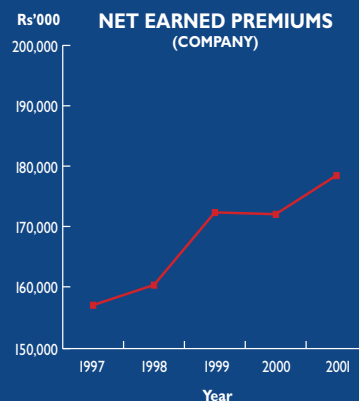
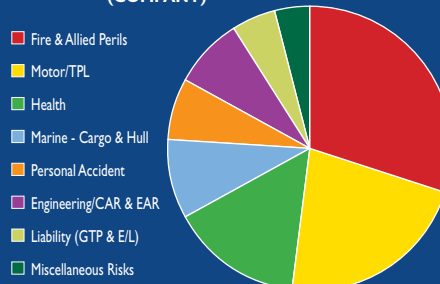
Insurance companies renewing their reinsurance facilities as at 1st January 2002 have been faced with a general hardening of terms, reduced underwriting capacities and reduction of commissions receivable. Some major Reinsurers even withdrew from the Reinsurance business while others had their operations re-engineered with the result that less capacity was available to ceding companies.

The company, in line with its declared policy of quality and with the view of continuing to offer to its clients the best security, has renewed and strengthened its partnership with its Reinsurers ranking among the best securities worldwide.

The increased cost of our reinsurance protection will inevitably result



GROSS PREMIUM INCOME
BY CLASS OF BUSINESS
(COMPANY)



in increased premiums being asked from our customers during the year 2002. We have however ensured that rate increases remain at a reasonable level.

Investments

During the year investments totalling Rs. 410 million were made in equities in the local and international markets compared to Rs. 500 million in 2000.

Anglo-Mauritius Assurance has, over the last years, changed its structure to administrate separate investment funds. A particular investment strategy has been earmarked for each fund. The policyholders can decide on the underlying investments of their life and/or pension policies.

Two new investment funds were created in 2001 with an initial value of Rs. 40 million each, namely the Equity Fund (Pension) and the Mixed Fund (Pension). The equity management of these two funds has been entrusted to Cirne Financial Services Ltd. and MCB Investment Management Co. Ltd. respectively. Our most active unitised fund, the General Fund (Life), has achieved returns in line with expectations.

Our largest fund remains the With Profit Fund also known as the Non-Linked Fund, with assets value of Rs 5.7 billion at 31st December 2001 against Rs. 5.0 billion the year before. The same asset allocation than last year has been maintained, with approximately two thirds of the fund invested in fixed income securities and one third in equities and properties. A higher proportion of residential loans, debentures and treasury bills enabled this fund to achieve a satisfactory return on the year in spite of the poor performance of stock markets worldwide.

Technology

Technology as a key driver to change has facilitated the adoption of a process approach to project development and implementation. Project teams have been organised across the Company to deal with specific issues which cut across key departments and functions. Project deliverables are shared among the management team and the staff to ensure that the information is properly disseminated in the organisation.

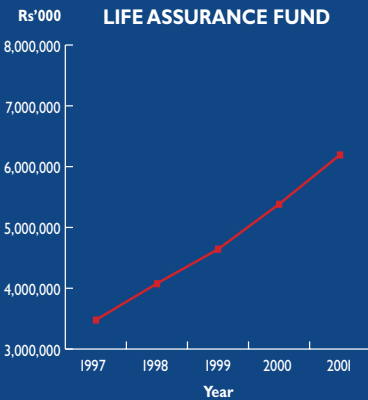
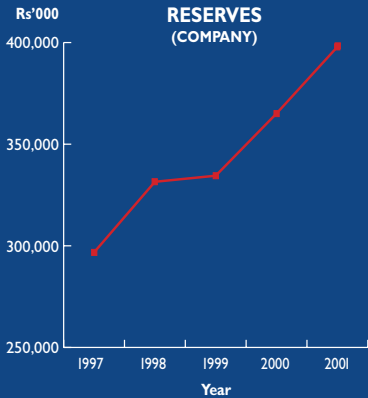
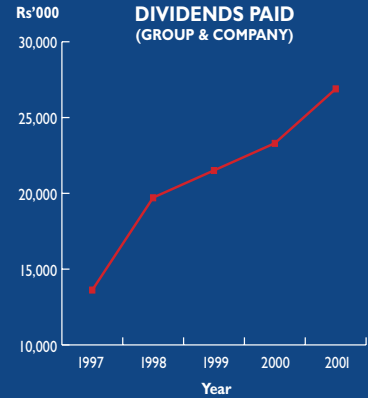
Research and Development

Innovation and creativity are key success factors to responding to client needs and to delivering high quality service. Emphasis has been put on gathering client feedback through our front line staff and our agents' network. Internal and external feedback processes have been initiated to enhance our product key features or develop new products such as Unitised Pension Funds.

A knowledge management and a learning organisation culture is being developed in the company. We aim at becoming a knowledge company through interdisciplinary projects and teamwork as well as with the use of technology. As information technology enables access to a complex worldwide network of information, a PC-based Knowledge Centre has been set up and is accessible to all the staff. Key references, books, magazines, CD-Roms, on-line subscriptions are available and deal with various fields of interest such as insurance, law, management, finance, information technology and health.

People

A reorganisation exercise has been carried out among the Executive Management. Gérald Lincoln after 31 years of total commitment and dedication to The Anglo-Mauritius Assurance Society Limited retired on the 31st December 2001 as Executive Manager and acts since the 1st January 2002 as Consultant to the Group Chief Executive.



He was appointed Assistant General Manager of Anglo-Mauritius Assurance in 1994 and Executive Manager in 1997. Louis Rivalland has been appointed Executive Manager of Anglo-Mauritius Assurance since the 1st January 2002. Louis is a Fellow of the Institute of Actuaries and holds a B.Sc. Honours in Actuarial Science and Statistics. He was in the management team of the Commercial Union in South Africa for four years. He was acting as Actuary and Consultant for Watson Wyatt for 2 years prior to joining the Swan Group in August 1999 as Consultant to the Group Chief Executive.

Cyril Koa Wing retired as Senior Manager of the Pensions Department of Anglo-Mauritius Assurance on the 30th June 2001. Cyril highly contributed to the development of the pensions business of Anglo-Mauritius Assurance for more than forty years. He is now acting as consultant on special projects of Anglo-Mauritius Assurance.

In addition to clients and shareholders, employees are one of our main stakeholders and we believe that our success largely depends on staff motivation and empowerment. We need to monitor staff satisfaction on a continuous basis and promote a culture of innovation and knowledge sharing among our staff.

Training is a key component of staff involvement. Along the years, focus has been placed on training of our staff and our agents. Courses were conducted with regards to the key features of our general insurance products, endowment and unit-linked products as well as customer care skills.



Communication

A Group communication strategy was developed whereby new corporate standards were determined and new communication tools were identified. The Swan Group web site was launched in September 2001 where products and services of both companies of the Group namely Swan Insurance and Anglo-Mauritius Assurance are described. For each product, proposal forms or quotation forms have been designed and can be completed and forwarded on-line. The funds performance can be monitored on the web site. This approach combining technology and communication has been adopted in view of better answering our customer needs in terms of flexibility and response time.

Our stationery has been totally revisited and redesigned to enhance our corporate image and visibility in the market. New logos were designed for Anglo-Mauritius Assurance, Swan Insurance and the Swan Group to better integrate the cross-selling features of our life assurance, pension administration and general insurance market segments.

Advertising campaigns were launched in March and September 2001 and an advertising slogan was created for the Group and is as follows: 'Securing tomorrow today'.

Corporate Citizenship

We have been involved for several years now in social investment and charitable donations programmes where the goals are consistent with our core values. We are working on initiatives where priority is given to education, welfare, sports and arts. Whilst providing financial assistance, our objective is to encourage the staff to give their time and to offer their skills to the community.

The processes of changing environment and of globalisation will continue to impact on our core businesses. We trust that by focusing on the needs and expectations of our key stakeholders namely our clients, our employees and our shareholders, we will successfully grasp the challenging opportunities that are offered in this competitive environment.

Jean DE FONDAUMIÈRE, C.A.
Group Chief Executive

Report of the Auditor

to the Members

I have audited the financial statements of Swan Insurance Company Limited set out on pages 14 to 39 which have been prepared on the basis of the accounting policies set out from pages 19 to 21.

Respective responsibilities of the Board of Directors and Auditor

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and for ensuring that the financial statements comply with the Insurance Act 1987 and Companies Act 2001 taking into account the Order dated March 27, 2002, made by the Registrar of Companies under Section 224(2) of Companies Act 2001, authorising the Directors to prepare and present financial statements in relation to an accounting period commencing prior to December 1, 2001 in accordance with the Mauritius Accounting and Auditing Standards Act 1989 applicable to Insurance Companies. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is my responsibility to form an independent opinion, based on my audit, on those financial statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

I have no relationship with, or interests in, the Company or any of its Subsidiaries other than in my capacity as auditor; tax and business adviser and other than dealings with the Company and its Subsidiaries in the ordinary course of the business.

Opinion

In my opinion :

- (a) I have obtained all such information and explanations which I considered necessary;
- (b) proper accounting records have been kept by the Company and its Subsidiaries as far as it appears from my examination of those records;
- (c) the financial statements give a true and fair view of the state of affairs of the Group and the Company as at December 31, 2001 and of its profit and cash flows for the year then ended, comply with the provisions of the Insurance Act 1987 and the Companies Act 2001 taking into account the Order dated March 27, 2002 made by the Registrar of Companies and have been properly prepared in accordance with and comply with Mauritius Accounting Standards.

Jean Marc HAREL, G.O.S.K., F.C.A., FCI Arb

OF DE CHAZAL DU MEE & CO

Chartered Accountants

Port-Louis,

Mauritius.

20th May 2002

Balance Sheets

at December 31, 2001

		THE GROUP		THE COMPANY	
	Notes	2001 Rs'000	2000 Restated Rs'000	2001 Rs'000	2000 Rs'000
ASSETS EMPLOYED					
Non-current assets					
Property, furniture, equipment and vehicles	2	25,390	27,067	25,390	27,067
Statutory Deposit		8,000	8,000	8,000	8,000
Investment in Subsidiary Companies	3	-	-	6,293	5,817
Other investments	4	304,416	307,852	304,416	307,852
Deferred tax assets	5	-	131	1,083	1,428
		<u>337,806</u>	<u>343,050</u>	<u>345,182</u>	<u>350,164</u>
Current assets					
Trade and other receivables	6	159,838	239,993	129,852	187,473
Cash in hand and at bank and bank deposits	20(b)	<u>187,123</u>	<u>171,961</u>	<u>186,464</u>	<u>171,328</u>
		<u>346,961</u>	<u>411,954</u>	<u>316,316</u>	<u>358,801</u>
Current liabilities					
Trade and other payables	7	101,623	185,943	103,379	188,351
Current tax liabilities	8	<u>9,163</u>	<u>9,321</u>	<u>9,163</u>	<u>9,321</u>
		<u>110,786</u>	<u>195,264</u>	<u>112,542</u>	<u>197,672</u>
Net current assets					
		<u>236,175</u>	<u>216,690</u>	<u>203,774</u>	<u>161,129</u>
Life Business Assets	9	<u>6,214,082</u>	<u>5,398,265</u>	-	-
		<u>6,788,063</u>	<u>5,958,005</u>	<u>548,956</u>	<u>511,293</u>
FINANCED BY					
Capital and Reserves					
Share Capital	10	35,857	35,857	35,857	35,857
Reserves	11	<u>410,869</u>	<u>392,702</u>	<u>397,880</u>	<u>365,116</u>
Shareholders' interests		<u>446,726</u>	<u>428,559</u>	<u>433,737</u>	<u>400,973</u>
Minority Interests	12	<u>11,725</u>	<u>20,861</u>	-	-
		<u>458,451</u>	<u>449,420</u>	<u>433,737</u>	<u>400,973</u>
Life Assurance Fund	I (f)/13	<u>6,214,082</u>	<u>5,398,265</u>	-	-
Insurance Fund	I (g)	<u>89,579</u>	<u>86,763</u>	<u>89,579</u>	<u>86,763</u>
		<u>6,303,661</u>	<u>5,485,028</u>	<u>89,579</u>	<u>86,763</u>
Non-current liabilities					
Deferred tax liabilities	5	311	-	-	-
Employee Benefits Obligation	14	<u>25,640</u>	<u>23,557</u>	<u>25,640</u>	<u>23,557</u>
		<u>25,951</u>	<u>23,557</u>	<u>25,640</u>	<u>23,557</u>
		<u>6,788,063</u>	<u>5,958,005</u>	<u>548,956</u>	<u>511,293</u>

These financial statements were approved by the Board of Directors on 17th May 2002.

J. Cyril Lagesse
Pierre Doger de Spéville } **DIRECTORS**

The notes on pages 19 to 39 form an integral part of these financial statements.
Auditor's report on pages 12 and 13.

Profit and Loss Accounts

Year ended December 31, 2001

		THE GROUP		THE COMPANY	
	Notes	2001 Rs'000	2000 Restated Rs'000	2001 Rs'000	2000 Rs'000
GROSS PREMIUMS		1,160,638	1,073,778	461,610	481,666
NET EARNED PREMIUMS	15	626,592	680,867	178,578	172,166
UNDERWRITING PROFIT	16	10,795	9,951	10,804	9,789
Other income	17	69,018	62,935	58,361	53,198
PROFIT BEFORE TAX		79,813	72,886	69,165	62,987
Taxation	8	(9,605)	(9,736)	(9,508)	(9,052)
PROFIT AFTER TAX		70,208	63,150	59,657	53,935
Minority interests	12	(10,642)	(9,725)	-	-
NET PROFIT		59,566	53,425	59,657	53,935
DIVIDENDS	18	(26,893)	(23,307)	(26,893)	(23,307)
PROFIT FOR THE YEAR		32,673	30,118	32,764	30,628
Transfer to Statutory Reserve Fund		(2,983)	(2,697)	(2,983)	(2,697)
RETAINED PROFIT FOR THE YEAR		29,690	27,421	29,781	27,931
Retained by:					
Holding Company		29,781	27,931		
Subsidiaries		(91)	(510)		
		29,690	27,421		
EARNINGS PER SHARE (Rupees and cents)	19	8.30	7.45	8.32	7.52

The notes on pages 19 to 39 form an integral part of these financial statements.
Auditor's report on pages 12 and 13.

Statement of Changes in Equity

Year ended December 31, 2001

(a) THE GROUP

	Notes	Share Capital Rs'000	Revaluation & Other Reserves Rs'000	Proprietors' Fund Rs'000	Retained Earnings Rs'000	Statutory Reserve Fund Rs'000	Total Rs'000
Balance at January 1, 2000							
-as previously reported		35,857	39,335	38,756	269,180	53,683	436,811
-prior year adjustments		-	-	-	(17,631)	-	(17,631)
-consolidation adjustments		-	(24)	-	(8,955)	-	(8,979)
-as restated		35,857	39,311	38,756	242,594	53,683	410,201
Exchange differences on translation of the accounts of offshore subsidiary		-	37	-	-	-	37
Movement for the year		-	-	(11,663)	-	-	(11,663)
Net profit - restated		-	-	-	53,425	-	53,425
Dividends	18	-	-	-	(23,307)	-	(23,307)
Transfer to Statutory Reserve Fund		-	-	-	(2,697)	2,697	-
Consolidation adjustments		-	(60)	-	(74)	-	(134)
Balance at December 31, 2000		<u>35,857</u>	<u>39,288</u>	<u>27,093</u>	<u>269,941</u>	<u>56,380</u>	<u>428,559</u>
Balance at January 1, 2001							
-as previously reported		35,857	39,312	27,093	280,169	56,380	438,811
-consolidation adjustments	9(a)	-	(24)	-	(10,228)	-	(10,252)
- as restated		35,857	39,288	27,093	269,941	56,380	428,559
Exchange differences on translation of the accounts of offshore subsidiary		-	68	-	-	-	68
Movement for the year		-	-	(14,670)	-	-	(14,670)
Net profit		-	-	-	59,566	-	59,566
Dividends	18	-	-	-	(26,893)	-	(26,893)
Transfer to Statutory Reserve Fund		-	-	-	(2,983)	2,983	-
Consolidation adjustments		-	-	-	96	-	96
Balance at December 31, 2001		<u>35,857</u>	<u>39,356</u>	<u>12,423</u>	<u>299,727</u>	<u>59,363</u>	<u>446,726</u>

The notes on pages 19 to 39 form an integral part of these financial statements.
Auditor's report on pages 12 and 13.

Statement of Changes in Equity

Year ended December 31, 2001

(b) THE COMPANY						
	Notes	Share Capital Rs'000	Other Reserves Rs'000	Retained Earnings Rs'000	Statutory Reserve Fund Rs'000	Total Rs'000
Balance at January 1,2000						
-as previously reported		35,857	39,288	259,148	53,683	387,976
-prior year adjustments		-	-	(17,631)	-	(17,631)
-as restated		35,857	39,288	241,517	53,683	370,345
Net profit		-	-	53,935	-	53,935
Dividends	18	-	-	(23,307)	-	(23,307)
Transfer to Statutory Reserve Fund		-	-	(2,697)	2,697	-
Balance at December 31, 2000		<u>35,857</u>	<u>39,288</u>	<u>269,448</u>	<u>56,380</u>	<u>400,973</u>
Balance at January 1, 2001						
-as previously reported		35,857	39,288	269,448	56,380	400,973
Net profit		-	-	59,657	-	59,657
Dividends	18	-	-	(26,893)	-	(26,893)
Transfer to Statutory Reserve Fund		-	-	(2,983)	2,983	-
Balance at December 31, 2001		<u>35,857</u>	<u>39,288</u>	<u>299,229</u>	<u>59,363</u>	<u>433,737</u>

The notes on pages 19 to 39 form an integral part of these financial statements.
 Auditor's report on pages 12 and 13.

Cash Flow Statements

Year ended December 31, 2001

		THE GROUP		THE COMPANY	
		2001	2000	2001	2000
	Notes	Rs'000	Restated Rs'000	Rs'000	Rs'000
Operating activities					
Cash generated from/(used in) operations	20(a)	7,840	48,960	(2,814)	39,072
Tax paid		(9,321)	(7,956)	(9,321)	(7,956)
Net cash(used in)/generated from operating activities		<u>(1,481)</u>	<u>41,004</u>	<u>(12,135)</u>	<u>31,116</u>
Investing activities					
Purchase of furniture, equipment and vehicles	2	(8,810)	(6,425)	(8,810)	(6,425)
Disposal proceeds of equipment and vehicles		923	645	923	645
Purchase of investments	3&4(c)/(e)/(f)	(33,641)	(56,842)	(33,641)	(56,842)
Disposal of investments	4(b)/(c)/(e)/(f)	41,735	40,098	41,735	40,098
Loans granted	4(a)	(6,530)	(7,365)	(6,530)	(7,365)
Loans recovered	4(a)	1,397	1,057	1,397	1,057
Investment income received		51,860	45,717	51,846	45,705
Net cash from investing activities		<u>46,934</u>	<u>16,885</u>	<u>46,920</u>	<u>16,873</u>
Financing activities					
Dividends paid to group shareholders		(26,893)	(23,307)	(26,893)	(23,307)
Dividends paid to minority shareholders		(10,642)	(9,725)	-	-
Net cash outflow from financing activities		<u>(37,535)</u>	<u>(33,032)</u>	<u>(26,893)</u>	<u>(23,307)</u>
Increase in cash and cash equivalents		<u>7,918</u>	<u>24,857</u>	<u>7,892</u>	<u>24,682</u>
Movements in cash and cash equivalents					
At January 1,					
-as previously stated		171,961	148,857	171,328	142,530
-consolidation adjustments	9(a)	-	(5,869)	-	-
as restated		<u>171,961</u>	<u>142,988</u>	<u>171,328</u>	<u>142,530</u>
Increase in cash equivalents					
-as previously stated		7,918	25,425	7,892	24,682
-consolidation adjustments	9(a)	-	(568)	-	-
-as restated		<u>7,918</u>	<u>24,857</u>	<u>7,892</u>	<u>24,682</u>
Effect of exchange rate changes					
	17	<u>7,244</u>	<u>4,116</u>	<u>7,244</u>	<u>4,116</u>
At December 31,	20(b)	187,123	171,961	186,464	171,328

The notes on pages 19 to 39 form an integral part of these financial statements.
Auditor's report on pages 12 and 13.

Notes to the Financial Statements

Year ended December 31, 2001

I. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of Preparation

The financial statements are prepared in accordance with and comply with appropriate Accounting Standards.

The financial statements are prepared under the historical cost convention.

(b) Consolidation

The consolidated financial statements include the Company and its Subsidiaries. The results of Subsidiaries acquired or disposed of during the year are included in the consolidated Profit and Loss Account from the date of their acquisition or up to the date of their disposal. Intragroup transactions are eliminated on consolidation.

The consolidated financial statements have been prepared in accordance with the purchase method.

A Subsidiary, The Anglo-Mauritius Assurance Society Limited carries out life business only, its net results as well as those of its Subsidiaries are accounted in the Life Assurance Fund. This Fund belongs to the life policyholders and as such the assets and liabilities of the life business are disclosed separately in the consolidated financial statements, distinct from the assets and liabilities of the Holding Company. The Company's share of profit in The Anglo-Mauritius Assurance Society Limited is accounted for on a dividend paid basis. This method smoothes out the effect of the variance in the results of the Subsidiary following the valuation of the Life Assurance Fund by the Actuaries every three years.

(c) Foreign Currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions.

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit and Loss Account/Life Assurance Fund Account. Such balances are translated at year-end exchange rates.

Profit and Loss Accounts of the offshore Subsidiary is translated into the Group's reporting currency at average exchange rates for the year and the Balance Sheets are translated at the year end exchange rates ruling on December 31, 2001. Exchange differences arising from the retranslation of the net investment in the offshore Subsidiary are taken to "Translation Reserve" in shareholders' equity. In the event of disposal of the offshore Subsidiary, such translation differences are recognised in the Profit and Loss Account as part of the gain or loss on sale.

(d) Investments

Investments are stated at cost and provision is only made, where, in the opinion of the Directors, there is a permanent diminution in value. When there has been a permanent diminution in value of an investment, it is recognised as an expense in the period in which it is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Profit and Loss Account/Life Assurance Fund Account.

(e) Furniture, equipment and vehicles

All furniture, equipment and vehicles is initially recorded at cost.

All other furniture, equipment and vehicles is stated at historical cost less depreciation.

Notes to the Financial Statements

Year ended December 31, 2001

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:

Motor vehicles	20%
Office furniture, fittings and equipment	10%
Computer equipment	15%

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 furniture, equipment and vehicles are determined by reference to their carrying amount and are taken into account in determining profit before tax.

(f) Life Assurance Fund

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

Linked Account
Earmarked assets are assigned in the name of the Life Assurance Fund - Linked Account within the Life Assurance Fund Account of the Subsidiary - The Anglo-Mauritius Assurance Society Limited.

(g) Insurance Fund

The Fund consists of unearned premiums computed on the basis of the 365th method.
Outstanding claims provisions are made up of :
(a) provision for claims Incurred But Not Reported (IBNR) and
(b) the net estimated costs of claims admitted or intimated but not yet settled at balance sheet date.

(h) Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.
Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base.

The principal temporary differences arise from depreciation on furniture, equipment and vehicles, translation gains and losses and Employee Benefits Obligation.

Notes to the Financial Statements

Year ended December 31, 2001

(i) Revenue Recognition

Revenue represents net earned premiums receivable net of reinsurances and adjusted for unearned premiums, life assurance premiums receivable net of reassurances and annuity consideration.

Other revenues earned by the Company are recognised on the following bases:

- Interest income - as it accrues unless collectibility is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.
- Commission receivable - as it accrues in accordance with the substance of the relevant agreements.

(j) Employee Benefits Obligation

The Company contributes to a defined benefit plan, the assets of which are held independently and administered by an Insurance Company. The pension accounting costs are assessed using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries. The actuarial gains and losses are spread over the remaining service life of the relevant employees. The principal actuarial assumptions are disclosed in the notes to the financial statements.

Its Subsidiary, The Anglo-Mauritius Assurance Society Limited has an employee retirement fund which is internally managed. Full liability of the retirement obligation has been recognised as the assets are not legally separate and cannot therefore be considered as Plan Assets. The liability has been included in the Life Business Assets.

(k) Comparatives

The Group

Certain figures have been reclassified to conform with current year presentation. The assets and liabilities of the Subsidiary Companies of The Anglo-Mauritius Assurance Society Limited have been reclassified and are now included under the Life Business Assets. Prior year's Financial Statements have been adjusted accordingly.

Notes to the Financial Statements

Year ended December 31, 2001

2. FURNITURE, EQUIPMENT AND VEHICLES

(a) THE GROUP

	Land and buildings Rs'000	Motor Vehicles Rs'000	Furniture & Fittings Rs'000	Office Equipment Rs'000	Total Rs'000
COST OR VALUATION					
At January 1, 2001					
-as previously stated	115,667	24,003	19,675	41,275	200,620
-consolidation adjustments (note 9(a))	(115,667)	-	(1,496)	(460)	(117,623)
-as restated	-	24,003	18,179	40,815	82,997
Additions	-	5,940	165	2,705	8,810
Disposals	-	(2,394)	-	(103)	(2,497)
At December 31, 2001	-	27,549	18,344	43,417	89,310
DEPRECIATION					
At January 1, 2001					
-as previously stated	899	15,554	13,965	28,305	58,723
-consolidation adjustments (note 9(a))	(899)	-	(2,165)	271	(2,793)
-as restated	-	15,554	11,800	28,576	55,930
Charge for the year	-	4,455	1,832	3,999	10,286
Disposal adjustment	-	(2,207)	-	(89)	(2,296)
At December 31, 2001	-	17,802	13,632	32,486	63,920
NET BOOK VALUE					
At December 31, 2001	-	9,747	4,712	10,931	25,390
At January 1, 2001 - restated	-	8,449	6,379	12,239	27,067

(b) THE COMPANY

COST

At January 1, 2001	24,003	18,179	40,815	82,997
Additions	5,940	165	2,705	8,810
Disposals	(2,394)	-	(103)	(2,497)
At December 31, 2001	27,549	18,344	43,417	89,310

DEPRECIATION

At January 1, 2001	15,554	11,800	28,576	55,930
Charge for the year	4,455	1,832	3,999	10,286
Disposal adjustment	(2,207)	-	(89)	(2,296)
At December 31, 2001	17,802	13,632	32,486	63,920

NET BOOK VALUE

At December 31, 2001	9,747	4,712	10,931	25,390
At January 1, 2001	8,449	6,379	12,239	27,067

Notes to the Financial Statements

Year ended December 31, 2001

3. INVESTMENTS IN SUBSIDIARY COMPANIES

	OTC Quoted Rs'000	2001 Unquoted Rs'000	Total Rs'000	2000 Total Rs'000
At January 1,	5,661	156	5,817	5,288
Additions	476	-	476	529
At December 31,	6,137	156	6,293	5,817
Market value	153,285			157,400
Directors' valuation		156		156

The Directors have valued the unquoted investments at cost.

(a) The accounts of the following Subsidiary Companies, incorporated in Mauritius, have been included in the consolidated accounts:

	Class of shares held	Nominal Value of Investment		Swan Insurance Company Limited %		Other Group Company %		Activity
		2001 Rs'000	2000 Rs'000	Holding 2001	Holding 2000	Holding 2001	Holding 2000	
The Anglo-Mauritius Assurance Society Limited	Ordinary	15,329	15,282	61.30	61.16	-	-	Life Assurance
Swan Properties Limited	Ordinary	-	-	-	-	100	100	Purchase, development and sale of land
Standard Property Company Limited	Ordinary	-	-	-	-	100	100	Rental of property
Verdun Industrial Building Co. Ltd	Ordinary	1	1	0.01	0.01	99.99	99.99	Rental of industrial land and buildings
Themis Limited	Ordinary	-	-	-	-	100	100	Dormant
Investment and Administrative Co. (Mtius) Ltd.	Ordinary	-	-	-	-	100	100	Management Company
Ilot Fortier Ltd	Ordinary	-	-	-	-	100	100	Management Company
Swan International Ltd	Ordinary	156	156	100	100	-	-	Brokers & Consultants
Manufacturers' Distributing Station Limited	Ordinary	-	-	-	-	99.99	99.99	Investment Company

Notes to the Financial Statements

Year ended December 31, 2001

4. OTHER INVESTMENTS

THE GROUP & THE COMPANY					
			2001	2000	
			Rs'000	Rs'000	
COST AND VALUATION					
Secured loans (see note 4(a))			40,784	35,651	
Mauritius Government Securities (see note 4(b))			1,794	7,840	
Other investments (see note 4(c))			50,624	50,680	
Société d'Attribution (see note 4(d))			86,391	86,391	
Debentures (see note 4(e))			124,823	127,290	
			304,416	307,852	
(a) Secured Loans					
At January 1,			35,651	29,343	
Loans granted			6,530	7,365	
Loans recovered			(1,397)	(1,057)	
At December 31,			40,784	35,651	
(b) Mauritius Government Securities					
At January 1,			7,840	7,840	
Disposals			(6,046)	-	
At December 31,			1,794	7,840	
(c) Other investments					
	Listed on the Stock Exchange Rs'000	Quoted on the OTC market Rs'000	Unquoted Rs'000	Total 2001 Rs'000	Total 2000 Rs'000
At January 1,	11,838	3,867	34,976	50,681	31,280
Additions	-	-	70	70	19,400
Disposals	-	-	(127)	(127)	-
At December 31,	11,838	3,867	34,919	50,624	50,680
Stock Exchange value at December 31,	46,710				51,528
Valuation based on indicative prices on the OTC market		5,788			5,765
Directors' valuation based on cost			34,919		34,533

Notes to the Financial Statements

Year ended December 31, 2001

4. OTHER INVESTMENTS - (continued)

	Rs'000
(d) Société d'Attribution Swan Group Centre	
At January 1, 2001 and December 31, 2001	86,391

The investment in the Société D'Attribution confers to the Company the right to exclusive possession of 70% of the Ground Floor and all of the 3rd, 4th, 5th and 6th Floors of the Swan Group Centre as well as 23 of its parking lots.

(e) Debentures

	Quoted Rs'000	Unquoted Rs'000	Total 2001 Rs'000	Total 2000 Rs'000
At January 1,	79,989	47,300	127,289	109,155
Additions	889	-	889	36,912
Disposals	(3,355)	-	(3,355)	(18,777)
At December 31,	77,523	47,300	124,823	127,290
Stock Exchange value at December 31, 2001 (2000 : Rs80.38m)	78,692			
The unquoted debentures have been valued at cost.				

(f) Government Treasury Bills

	THE GROUP & THE COMPANY	
	2001 Rs'000	2000 Rs'000
Additions	32,207	62,210
Disposals	(32,207)	(62,210)
At December 31,	-	-
(g) Sales Proceeds During the Year		
Mauritius Government Securities and other investments	15,879	40,098

5. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 25%.
The movement on deferred income tax account is as follows:

	THE GROUP		THE COMPANY	
	2001 Rs'000	2000 Rs'000	2001 Rs'000	2000 Rs'000
At January 1,				
-as previously reported	131	(4,093)	1,428	(3,480)
-prior year adjustment	-	4,633	-	4,633
-as restated	131	540	1,428	1,153
Profit and Loss Account (note 8)	(442)	(409)	(345)	275
At December 31,	(311)	131	1,083	1,428

Notes to the Financial Statements

Year ended December 31, 2001

5. DEFERRED INCOME TAXES - (continued)

Deferred income tax assets and liabilities are offset when the income taxes relate to the same fiscal authority.
The following amounts are shown in the balance sheets:

	THE GROUP		THE COMPANY	
	2001 Rs'000	2000 Rs'000	2001 Rs'000	2000 Rs'000
Deferred tax assets	6,410	5,889	6,410	5,889
Deferred tax liabilities	(6,721)	(5,758)	(5,327)	(4,461)
Net deferred tax (liabilities)/assets	<u>(311)</u>	<u>131</u>	<u>1,083</u>	<u>1,428</u>

Deferred tax assets and liabilities, deferred tax (charge)/credit in the Profit and Loss Account and deferred tax (charge)/credit in equity are attributable to the following items:

(a) THE GROUP

	At January 1, 2001 Restated Rs'000	(Charged)/ Credited to Profit and Loss Rs'000	At December 31, 2001 Rs'000
Deferred income tax liabilities			
Accelerated tax depreciation	3,998	180	4,178
Unrealised exchange gain	1,760	783	2,543
	<u>5,758</u>	<u>963</u>	<u>6,721</u>
Deferred income tax assets			
Employee Benefits Obligation	5,889	521	6,410
	<u>5,889</u>	<u>521</u>	<u>6,410</u>
Net deferred income tax assets/(liabilities)	<u>131</u>	<u>(442)</u>	<u>(311)</u>

(b) THE COMPANY

Deferred income tax liabilities			
Accelerated tax depreciation	2,701	83	2,784
Unrealised exchange gain	1,760	783	2,543
	<u>4,461</u>	<u>866</u>	<u>5,327</u>
Deferred income tax assets			
Employee Benefits Obligation	5,889	521	6,410
	<u>5,889</u>	<u>521</u>	<u>6,410</u>
Net deferred income tax assets	<u>1,428</u>	<u>(345)</u>	<u>1,083</u>

Notes to the Financial Statements

Year ended December 31, 2001

6. TRADE AND OTHER RECEIVABLES

	THE GROUP
	Rs'000
(a) As previously reported	189,566
Consolidated adjustments (note 9(a))	(5,006)
As restated	<u>184,560</u>

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
		Restated		
	Rs'000	Rs'000	Rs'000	Rs'000
(b) Trade receivables:				
- Premiums and agents balances	113,585	126,469	113,585	126,469
- Amounts due by Reinsurers (note 7(c) below)	-	41,779	-	41,779
Prepayments	4,760	3,730	4,676	3,696
Receivables from group companies:				
- Subsidiary Company	-	-	473	174
- Holding Company	-	-	-	2,773
Other receivables	11,118	12,582	11,118	12,582
Group's interest in Life Business Assets (note 9(c))	30,375	55,433	-	-
	<u>159,838</u>	<u>239,993</u>	<u>129,852</u>	<u>187,473</u>

7. TRADE AND OTHER PAYABLES

	THE GROUP
	Rs'000
(a) As previously reported	190,121
Consolidated adjustments (note 9(a))	(4,178)
As restated	<u>185,943</u>

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
		Restated		
	Rs'000	Rs'000	Rs'000	Rs'000
(b) Trade payables:				
- Due on Portfolio transfers (note 7(c) below)	-	92,874	-	92,874
- Outstanding claims provision	83,625	80,800	83,625	80,800
- Amounts payable to Reinsurers	2,711	-	2,711	-
Amount due to Subsidiary Company	-	-	6,473	2,425
Accrued expenses	7,966	8,896	7,966	8,896
Other payables	7,321	3,373	2,604	3,356
	<u>101,623</u>	<u>185,943</u>	<u>103,379</u>	<u>188,351</u>

(c) No portfolio transfers were effected as at December 31, 2001 on some of the main treaties which have been allowed to run off. In the previous year the effect of the portfolio transfers was Rs.92.9m and if the same treatment had been adopted for the current year the transfers would have been Rs.85.7m.

Notes to the Financial Statements

Year ended December 31, 2001

8. INCOME TAX

	THE GROUP			
	Rs'000			
(a) As previously reported				9,472
Consolidated adjustments (note 9(a))				(151)
As restated				<u>9,321</u>

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
		Restated		
	Rs'000	Rs'000	Rs'000	Rs'000
(b) Current tax on the adjusted profit for the year at 25%	9,163	9,321	9,163	9,321
Under provision in previous years	-	6	-	6
Deferred tax (note 5)	442	409	345	(275)
Tax charge for the year	<u>9,605</u>	<u>9,736</u>	<u>9,508</u>	<u>9,052</u>

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

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
		Restated		
	Rs'000	Rs'000	Rs'000	Rs'000
Profit before tax	<u>79,813</u>	<u>72,886</u>	<u>69,165</u>	<u>62,987</u>
Tax calculated at rate of 25%	19,954	18,221	17,291	15,747
Income not subject to tax	(12,280)	(9,287)	(9,617)	(6,853)
Expenses not deductible for tax purposes	1,163	231	1,163	231
Underprovision	-	6	-	6
Investment tax credit	(300)	(300)	(300)	(300)
Adjusting items	1,068	865	971	221
Tax charge for the year	<u>9,605</u>	<u>9,736</u>	<u>9,508</u>	<u>9,052</u>

9. LIFE BUSINESS ASSETS

	THE GROUP
	Rs'000
(a) As previously reported	5,351,963
Consolidation adjustments (note 1)	101,735
As restated	<u>5,453,698</u>

Note 1:

The consolidated adjustments are in respect of the following:

Property, furniture and equipment (note 2(a))	114,830
Trade and other receivables (note 6(a))	5,006
Cash and bank balances (page 18)	6,437
Trade and other payables (note 7(a))	(4,178)
Income tax (note 8(a))	(151)
Reserves (page 16)	(10,252)
Minority interests (note 12)	(24,857)
Life Assurance Fund (note 13)	14,900
	<u>101,735</u>

Notes to the Financial Statements

Year ended December 31, 2001

9. LIFE BUSINESS ASSETS - (continued)

	THE GROUP	
	2001	2000
	Rs'000	Restated Rs'000
(b) Life Business Assets comprise of the following items:		
Non-current assets		
Property, plant and equipment	101,977	102,437
Investments	3,191,057	3,067,791
Other investments	1,490,485	1,259,685
Statutory Deposit	10,000	8,000
	<u>4,793,519</u>	<u>4,437,913</u>
Current assets		
Trade and other receivables	221,801	182,201
Short term investments	1,319,038	925,631
Bank and cash balances	54,069	36,785
	<u>1,594,908</u>	<u>1,144,617</u>
Current liabilities		
Trade and other payables	(70,759)	(65,527)
Current tax liabilities	(12,246)	(12,101)
	<u>(83,005)</u>	<u>(77,628)</u>
Non-current liabilities		
Employee Benefits Obligation (Note 1 (j))	(59,571)	(51,204)
Deferred tax liabilities	(1,394)	-
	<u>(60,965)</u>	<u>(51,204)</u>
TOTAL	<u>6,244,457</u>	<u>5,453,698</u>
(c) Total Life Business Assets of Subsidiary as shown above	6,244,457	5,453,698
Less Group's interest (note 6(b))	(30,375)	(55,433)
Policyholders' share	<u>6,214,082</u>	<u>5,398,265</u>

10. SHARE CAPITAL

	2001 & 2000 Rs'000
Authorised	
Ordinary shares of Rs.5 each	<u>48,000</u>
Issued and fully paid	
Ordinary shares of Rs.5 each	<u>35,857</u>

Notes to the Financial Statements

Year ended December 31, 2001

II. RESERVES

Reserves are analysed as follows:

(a) THE GROUP	Proprietors' Fund Rs'000	Capital Reserves Rs'000	Investment Reserves Rs'000	Translation Reserves Rs'000	Retained Earnings Rs'000	Statutory Reserve Fund Rs'000	Total Rs'000
At January 1, 2001							
- as previously reported	27,093	28,906	10,322	84	280,169	56,380	402,954
- consolidation adjustments	-	-	-	(24)	(10,228)	-	(10,252)
- as restated	27,093	28,906	10,322	60	269,941	56,380	392,702
Exchange differences on translation of the accounts of offshore subsidiary	-	-	-	68	-	-	68
Movement during the year	(14,670)	-	-	-	-	-	(14,670)
Net profit	-	-	-	-	59,566	-	59,566
Dividends	-	-	-	-	(26,893)	-	(26,893)
Transfer to Statutory Reserve Fund	-	-	-	-	(2,983)	2,983	-
Consolidation adjustments	-	-	-	-	96	-	96
At December 31, 2001	12,423	28,906	10,322	128	299,727	59,363	410,869

(b) THE COMPANY

	Capital Reserves Rs'000	Investment Reserves Rs'000	Retained Earnings Rs'000	Statutory Reserve Fund Rs'000	Total Rs'000
Balance At January 1, 2001					
- as previously stated	28,906	10,382	269,448	56,380	365,116
Net profit	-	-	59,657	-	59,657
Dividends	-	-	(26,893)	-	(26,893)
Transfer to Statutory Reserve Fund	-	-	(2,983)	2,983	-
Balance At December 31, 2001	28,906	10,382	299,229	59,363	397,880

12. MINORITY INTERESTS

	THE GROUP	
	2001	2000
	Rs'000	Restated Rs'000
At January 1,		
- as previously stated	45,718	34,609
- consolidation adjustments (note 9(a))	(24,857)	(6,428)
- as restated	20,861	28,181
Share of dividend receivable (page 15)	10,642	9,725
Share of dividend received (note 20(a))	(10,642)	(9,725)
Movement in Proprietors' Fund	(9,136)	(7,320)
At December 31,	11,725	20,861

13. LIFE ASSURANCE FUND

	THE GROUP
	Rs'000
As previously stated	5,383,365
Consolidation adjustments (note 9(a))	14,900
As restated	5,398,265

Notes to the Financial Statements

Year ended December 31, 2001

14. EMPLOYEE BENEFITS OBLIGATION

	THE GROUP AND THE COMPANY	
	2001	2000
	Rs'000	Rs'000
(a) The amounts recognised in the Balance Sheets are as follows:		
Present value of Defined Benefit Obligation	64,867	54,463
Fair value of Plan Assets	(31,373)	(25,756)
	33,494	28,707
Unrecognised actuarial losses	(7,854)	(5,150)
Liability in the Balance Sheets	25,640	23,557

The Pension Scheme is a Defined Benefit Plan and is partly funded. The assets of the funded plan are held independently and administered by The Anglo-Mauritius Assurance Society Limited. The market value of the pension scheme was Rs 31.4 million (2000: Rs 25.8 million).

	THE GROUP AND THE COMPANY	
	2001	2000
	Rs'000	Rs'000
(b) The amounts recognised in the Profit and Loss Account are as follows:		
Current service cost	3,631	2,985
Interest cost	5,438	4,336
Expected return on Plan Assets	(3,012)	(2,587)
Total included in staff cost (note 16 (b))	6,057	4,734

	2001	2000
	Rs'000	Rs'000
(c) Movement in the liability recognised in the Balance Sheet		
At January 1,	23,557	22,297
Total expenses as above	6,057	4,734
Contribution paid	(3,974)	(3,474)
At December 31,	25,640	23,557

Note: Employee Benefits Obligation have been provided for based on the reports of the Actuaries of The Anglo-Mauritius Assurance Society Limited.

(d) The principal actuarial assumptions used for accounting purposes were:

	2001	2000
Discount rate	10.0%	10.0%
Expected return on Plan Assets	10.5%	10.5%
Future long-term salary increase	8.0%	8.0%
Future expected pension increase	3.0%	3.0%

Notes to the Financial Statements

Year ended December 31, 2001

15. NET EARNED PREMIUMS

Net earned premiums constitute the turnover of the Company and the Group and represent general insurance/life assurance premium receivable net of reinsurances and adjusted for unearned premiums, life assurance premiums receivable net of reassurances and annuity consideration.

16. UNDERWRITING PROFIT

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Restated Rs'000	Rs'000	Rs'000
The underwriting profit is arrived at after crediting/(charging):				
Claims incurred	(101,701)	(108,511)	(101,701)	(108,511)
Net commissions	22,119	22,908	22,119	22,908
Depreciation on furniture, equipment and vehicles	(10,286)	(9,506)	(10,286)	(9,506)
Administrative expenses net of donations	(77,169)	(67,240)	(77,439)	(67,155)
Donations	(954)	(201)	(467)	(113)
Auditor's remuneration	710	574	691	490
Directors' emoluments (see 16(a) below)			95	95
Staff costs (see 16(b) below)			47,022	43,263

	THE COMPANY	
	2001	2000
	Rs'000	Rs'000
(a) Directors' emoluments		
Non full-time	95	95

The Directors received during the year Rs.93,000 (2000 - Rs.92,000) as fees from related corporations.

	THE COMPANY	
	2001	2000
	Rs'000	Rs'000
(b) Analysis of staff costs		
Salaries	39,794	37,217
Social security costs	1,171	1,312
Pension costs (note 14(b))	6,057	4,734
	47,022	43,263

	THE COMPANY	
	2001	2000
The number of employees at the end of the year was:		
- Administration, technical, commercial and other employees	139	136

Notes to the Financial Statements

Year ended December 31, 2001

17. OTHER INCOME

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Restated Rs'000	Rs'000	Reclassified Rs'000
Interest income				
- Quoted	11,601	11,771	11,586	11,759
- Unquoted	17,465	17,748	17,465	17,748
	<u>29,066</u>	<u>29,519</u>	<u>29,051</u>	<u>29,507</u>
Investment income:				
- Dividend income				
Listed	3,892	3,298	3,892	3,298
OTC quoted	27,660	25,277	17,018	15,552
Unquoted	434	340	434	340
	<u>31,986</u>	<u>28,915</u>	<u>21,344</u>	<u>19,190</u>
	<u>61,052</u>	<u>58,434</u>	<u>50,395</u>	<u>48,697</u>
Total Investment income				
- Minority interests-dividend income	10,642	9,725	-	-
- Interest income	50,410	48,709	50,395	48,697
Profit on disposal of equipment & vehicles	<u>722</u>	<u>385</u>	<u>722</u>	<u>385</u>
Net foreign exchange gains	<u>7,244</u>	<u>4,116</u>	<u>7,244</u>	<u>4,116</u>
Total	<u>69,018</u>	<u>62,935</u>	<u>58,361</u>	<u>53,198</u>

18. DIVIDENDS PAID

	2001	2000
	Rs'000	Rs'000
On ordinary shares @ 75% paid on December 31, 2001 (2000 - 65%)	<u>26,893</u>	<u>23,307</u>

19. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
		Restated		
Basic earnings per share				
Net profit attributable to shareholders(Rs'000)	<u>59,566</u>	<u>53,425</u>	<u>59,657</u>	<u>53,935</u>
Number of ordinary shares in issue	<u>7,171,346</u>	<u>7,171,346</u>	<u>7,171,346</u>	<u>7,171,346</u>
Basic earnings per share (Rs/cs)	<u>8.30</u>	<u>7.45</u>	<u>8.32</u>	<u>7.52</u>

Notes to the Financial Statements

Year ended December 31, 2001

20. NOTES TO THE CASH FLOW STATEMENT

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Restated Rs'000	Rs'000	Rs'000
(a) Operating activities				
Profit before taxation and minority interests	69,171	63,161	69,165	62,987
Adjustments for:				
Depreciation (note 2)	10,286	9,506	10,286	9,506
Foreign exchange gains (note 17)	(7,244)	(4,116)	(7,244)	(4,116)
Profit on sale of furniture, equipment and vehicles	(722)	(385)	(722)	(385)
Investment income (note 17)	(50,410)	(48,709)	(50,395)	(48,697)
Employee Benefits Obligation	2,083	1,260	2,083	1,260
Minority interests (Dividend) (notes 12/17)	10,642	9,725	-	-
Transfer to Insurance Fund	2,816	1,566	2,816	1,566
Changes in working capital:				
- trade and other receivables	56,167	(607)	56,170	(607)
- trade and other payables	(84,949)	17,559	(84,973)	17,558
Cash generated from/(used in) operating activities	7,840	48,960	(2,814)	39,072

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Restated Rs'000	Rs'000	Rs'000
(b) Cash and cash equivalents				
Short term deposits	182,996	167,647	182,996	167,647
Bank and cash balances	4,127	4,314	3,468	3,681
Cash and cash equivalents	187,123	171,961	186,464	171,328

21. OTHER COMMITMENTS

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Rs'000	Rs'000	Rs'000
Outstanding commitments for loans and investments approved by the Board of Directors	220,765	462,400	965	-

Notes to the Financial Statements

Year ended December 31, 2001

22. SEGMENT INFORMATION - (GROUP)

(a) Primary reporting format - business segments - year ended December 31, 2001

	Life	General			2001
		Fire & Allied	Motor	Others	Total
	Rs'000	Perils Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	<u>699,028</u>	<u>140,671</u>	<u>102,129</u>	<u>218,810</u>	<u>1,160,638</u>
Net earned premiums	<u>448,014</u>	<u>24,323</u>	<u>90,151</u>	<u>64,104</u>	<u>626,592</u>
Segment results	<u>-</u>	<u>34,922</u>	<u>14,391</u>	<u>49,891</u>	<u>99,204</u>
Administrative expenses					(78,123)
Depreciation					(10,286)
Underwriting profit					10,795
Other income					69,018
Profit before tax					79,813
Tax					(9,605)
Profit after tax					70,208
Minority interests					(10,642)
Net profit					<u>59,566</u>

	Life	General				2001
		Fire & Allied	Motor	Others	Unallocated	Total
	Rs'000	Perils Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	<u>6,214,082</u>	<u>18,929</u>	<u>70,158</u>	<u>49,888</u>	<u>545,792</u>	<u>6,898,849</u>
Segment liabilities	<u>(6,214,082)</u>	<u>(5,342)</u>	<u>(55,640)</u>	<u>(25,354)</u>	<u>(151,705)</u>	<u>(6,452,123)</u>
						<u>446,726</u>
Shareholders' interests and funds and other reserves						<u>446,726</u>
Capital expenditure	-	1,200	4,448	3,162	-	8,810
Depreciation	-	1,401	5,193	3,692	-	10,286
Other non-cash (income)/expenses	<u>-</u>	<u>(98)</u>	<u>(364)</u>	<u>(260)</u>	<u>(2,325)</u>	<u>(3,047)</u>

Notes to the Financial Statements

Year ended December 31, 2001

22. SEGMENT INFORMATION - (GROUP) - (continued)

(b) Primary reporting format - business segments - year ended December 31, 2000

	Life	General			2000
		Fire & Allied	Motor	Others	Total
	Rs'000	Perils Rs'000	Rs'000	Rs'000	Rs'000
Gross premiums	<u>592,112</u>	<u>132,884</u>	<u>103,551</u>	<u>245,231</u>	<u>1,073,778</u>
Net earned premiums	<u>508,701</u>	<u>23,784</u>	<u>86,639</u>	<u>61,743</u>	<u>680,867</u>
Segment results	<u>-</u>	<u>31,469</u>	<u>12,121</u>	<u>43,308</u>	<u>86,898</u>
Administrative expenses					(67,441)
Depreciation					(9,506)
Underwriting profit					9,951
Other income					62,935
Profit before tax					72,886
Tax					(9,736)
Profit after tax					63,150
Minority interests					(9,725)
Net profit					<u>53,425</u>

	Life	General			2000	
		Fire & Allied	Motor	Others	Unallocated	Total
	Rs'000	Perils Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	<u>5,398,265</u>	<u>29,235</u>	<u>106,497</u>	<u>75,895</u>	<u>543,377</u>	<u>6,153,269</u>
Segment liabilities	<u>(5,398,265)</u>	<u>(9,098)</u>	<u>(102,476)</u>	<u>(62,100)</u>	<u>(152,771)</u>	<u>(5,724,710)</u>
						<u>428,559</u>
Shareholders' interests and funds and other reserves						<u>428,559</u>
Capital expenditure	-	888	3,233	2,304	-	6,425
Depreciation	-	1,313	4,784	3,409	-	9,506
Other non-cash (income)/expenses	-	(53)	(194)	(138)	(1,290)	(1,675)

(c) All the activities of the Group are carried out in Mauritius, with the exception of those of the Subsidiary Swan International Co. Ltd., the results of which have not been separately identified in view of the fact that its assets represent less than 10% of the total assets.

Notes to the Financial Statements

Year ended December 31, 2001

23. UNEXPIRED SERVICE CONTRACTS

The Directors have no service contracts with the Company.

24. CONTRACT OF SIGNIFICANCE

The Company and the Group have no contract of significance.

25. INTEREST OF DIRECTORS

	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
- Mr. J.M. Antoine Harel (Chairman)	1	-	-	-
- Mr. J.Cyril Lagesse	981	0.01	1,250	0.05
- Mr. M.H. Patrick Guimbeau	32	-	-	-
- Mr. M. Maxime Hector Espitalier-Noël	11,612	0.16	-	-
- Mr. Pierre Bernard Arnaud Dalais	179	-	-	-
- Mr. F.M.J.Pierre Doger de Spéville	1,888	0.03	-	-
- Mr. Noël Adolphe Vallet	1,010	0.01	-	-
- Sir Emile Sériès	-	-	3,118	0.12
- Sir René Maingard de Ville-Ès-Offrans	-	-	1,615	0.06
	<u>15,703</u>	<u>0.21</u>	<u>5,983</u>	<u>0.23</u>

The Group Chief Executive and the other Directors have no interest in the shares of the Company and the Subsidiary Companies.

Notes to the Financial Statements

Year ended December 31, 2001

26. SUBSTANTIAL SHAREHOLDERS

At May 8, 2002, the following shareholders held more than 5% of the ordinary share capital of the Company:

	Direct			Indirect		
	Number of shares	% of voting rights	Amount Rs'000	Number of shares	% of voting rights	Amount Rs'000
- Intendance Holding Limited	4,869,052	67.89	24,343	-	-	-
- Forward Investment & Development Enterprises Ltd.	-	-	-	764,334	10.7	3,837
- Harel Frères Ltd.	-	-	-	709,963	9.9	3,550
- Excelsior United Development Companies Limited	-	-	-	566,536	7.9	2,833
- Compagnie d'Investissement et de Développement Ltée	-	-	-	566,536	7.9	2,833
- Deep River-Beau Champ Ltd	-	-	-	494,823	6.9	2,474
- Espitalier Noël Investment Trust Limited	-	-	-	387,253	5.4	1,936
	<u>4,869,052</u>	<u>67.89</u>	<u>24,343</u>	<u>3,489,445</u>	<u>48.7</u>	<u>17,463</u>

27. POST BALANCE SHEET EVENTS

No material events occurred after the year ended December 31, 2001 within the Group, which need to be disclosed in these financial statements.

28. HOLDING COMPANY

The Directors regard Intendance Holding Limited, incorporated in Mauritius, as the Holding Company. Its registered office is situated at Swan Group Centre, Intendance Street, Port-Louis.

29. RELATED PARTY TRANSACTIONS - GROUP

	Sales of services Rs'000	Claims paid Rs'000	Interest received Rs'000	Equities Rs'000	Loans/ Debentures Rs'000	Debtors Rs'000	Claims Outstanding Rs'000
2001							
Associates	<u>51,991</u>	<u>24,921</u>	<u>14,020</u>	<u>67,304</u>	<u>117,577</u>	<u>9,538</u>	<u>10,851</u>
2000							
Associates	<u>51,917</u>	<u>20,721</u>	<u>11,475</u>	<u>67,724</u>	<u>124,072</u>	<u>16,049</u>	<u>3,834</u>

Notes to the Financial Statements

Year ended December 31, 2001

30. THREE YEAR SUMMARY - GROUP

	2001	2000	1999
	Rs'000	Restated Rs'000	Rs'000
PROFIT AND LOSS ACCOUNT			
Gross premiums	1,160,638	1,073,778	928,038
Net earned premiums	626,592	680,867	665,136
Underwriting profit	10,795	9,951	4,334
Other income	69,018	62,935	53,931
Profit before tax	79,813	72,886	58,265
Taxation	9,605	9,736	7,172
Profit after tax	70,208	63,150	51,093
Minority interests	10,642	9,725	8,922
Profit for the year	59,566	53,425	42,171
Dividends per share (rupees and cents)	3.75	3.25	3.00
Earnings per share (rupees and cents)	8.30	7.45	5.88
Number of shares used in calculation	<u>7,171,346</u>	<u>7,171,346</u>	<u>7,171,346</u>
BALANCE SHEET			
Non-current assets	337,806	343,050	389,929
Current assets	346,961	411,954	332,544
Current liabilities	(110,786)	(195,264)	(177,774)
Life Business Assets	6,214,082	5,398,265	4,657,777
	<u>6,788,063</u>	<u>5,958,005</u>	<u>5,202,476</u>
Capital and reserves	446,726	428,559	419,180
Minority interests	11,725	20,861	34,609
Life Assurance Fund	6,214,082	5,398,265	4,641,195
Insurance Fund	89,579	86,763	85,195
Non-current liabilities	25,951	23,557	22,297
	<u>6,788,063</u>	<u>5,958,005</u>	<u>5,202,476</u>

Note: For reasons of practicability, comparative figures for the year 1999 included above have not been restated to reflect the effect of current year presentation.

Certificate by Company Secretary

Year ended December 31, 2001

I certify that, to the best of my 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.

Jean Paul CHASTEAU DE BALYON
Company Secretary

17th May 2002.

Revenue and Profit and Loss Account

Year ended December 31, 2001

APPENDIX I

	THE COMPANY	
	2001 Rs'000	2000 Rs'000
Fund at January 1,	86,763	85,195
Gross premiums	461,610	481,666
Reinsurances	280,216	307,932
Net retained premiums	181,394	173,734
Fund at December 31,	89,579	86,763
	91,815	86,971
Net Earned Premiums	178,578	172,166
Claims incurred	101,701	108,511
Administrative expenses	77,906	67,268
Depreciation	10,286	9,506
Commission (net)	(22,119)	(22,908)
	167,774	162,377
Underwriting profit	10,804	9,789
Other income	58,361	53,198
PROFIT BEFORE TAX	69,165	62,987
Taxation	(9,508)	(9,052)
PROFIT AFTER TAX	59,657	53,935
Appropriations:		
Dividends paid	(26,893)	(23,307)
Profit for the year	32,764	30,628
Transfer to Statutory Reserve Fund	(2,983)	(2,697)
RETAINED PROFIT FOR THE YEAR	29,781	27,931

Directors of the Subsidiary Companies

Year ended December 31, 2001

APPENDIX II

- **The Anglo-Mauritius Assurance Society Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- P. Arnaud DALAIS
- Gil de SORNAY
- M. J. Cyril LAGESSE
- Me. M. F. I. Jean Hugues MAIGROT
- Sir René H. MAINGARD DE VILLE-ÈS-OFFRANS, C.B.E.
- Cyril MAYER
- Sir J. Emile SÉRIÈS, C.B.E., F.C.I.S., F.A.I.A.

- **Swan International Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Jean de FONDAUMIÈRE, C.A.

- **Swan Properties Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Gil de SORNAY
- Jean de FONDAUMIÈRE, C.A.

- **Verdun Industrial Building Company Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Gil de SORNAY
- Jean de FONDAUMIÈRE, C.A.

- **Standard Property Company Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Gil de SORNAY
- Jean de FONDAUMIÈRE, C.A.

- **Manufacturers' Distributing Station Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Gil de SORNAY
- Jean de FONDAUMIÈRE, C.A.

- **Ilot Fortier Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Jean de FONDAUMIÈRE, C.A.

- **Investment and Administrative Company (Mauritius) Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Jean de FONDAUMIÈRE, C.A.

- **Themis Limited:**

- J. M. Antoine HAREL, F.C.A. – Chairman
- M. J. Cyril LAGESSE
- Jean de FONDAUMIÈRE, C.A.

Auditor:	Jean Marc Harel, G.O.S.K, F.C.A., FCI Arb of De Chazal Du Mée & Co.
Bankers:	Bank of Baroda Banque Nationale de Paris “Intercontinentale” Barclays Bank PLC The HongKong and Shanghai Banking Corporation Ltd. The Mauritius Commercial Bank Ltd.
Reinsurance Broker:	AON Limited, London, U.K.
Legal Advisers:	De Comarmond-Koenig Me. Raymond Hein, Q.C.

PROXY FORM

I/We _____
of _____
being a member/s of SWAN INSURANCE COMPANY CO. LTD. hereby appoint _____
of _____ or failing him _____
of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual Meeting of
the Company to be held on Friday 28th June 2002 at 10.15 hours and at any adjournment thereof:

I/We desire my/our vote to be cast on the ordinary resolutions as follows:

	FOR	AGAINST	ABSTAIN
1. To adopt the minutes of proceedings of the last Annual Meeting held on 22/6/01.	_____	_____	_____
2. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group at 31st December 2001.	_____	_____	_____
3. To re-appoint Mr. Jean Marc Harel, F.C.A., of De Chazal du Mée & Co. as Auditor of the Company until the conclusion of the next Annual Meeting and to fix his remuneration.	_____	_____	_____
4. To re-appoint Mr. M.H.Patrick Guimbeau as Director of the Company until the next Annual Meeting in compliance with Section 138(6) of the Companies Act 2001.	_____	_____	_____
5. To elect Mr. J.L. Philippe de Chasteauneuf as Director of the Company.	_____	_____	_____
6. To elect Mr. Thierry Lagesse as Director of the Company.	_____	_____	_____
7. To elect as a Director of the Company Sir René Seeyave, Kt., C.B.E., who retires by rotation and offers himself for re-election.	_____	_____	_____
8. To fix the Directors' remuneration.	_____	_____	_____

Dated this.....day of2002.

(S)

- Notes:
1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice (whether a member or not) to attend and vote on his/her behalf.
2. Please mark in the appropriate space how you wish to vote. If no specific instruction as to voting is given, the proxy will exercise his/her discretion as to how he/she votes.
3. 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 hours before the day fixed for the meeting or else the instrument of proxy shall not be treated as valid.



