



The Anglo-Mauritius Assurance Society Limited

annual report 2001



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Notice is hereby given that the **fifty-first Annual Meeting** of The Anglo-Mauritius Assurance Society Limited will be held at the Registered Office of the Company, Swan Group Centre, Intendance Street, Port Louis on **Friday 28th June 2002 at 3 p.m.** for the following purposes :

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 at 31st December 2001.
3. To ratify the dividend of Rs 11.- per share declared by the Board of Directors and paid on 19th December 2001.
4. To ratify the appointment of Me. Pierre Doger de Spéville, Mr. Hector Espitalier-Noël and Mr. Philippe de Chasteauneuf as Directors of the Company.
5. To appoint Mr. Thierry Lagesse as Director of the Company.
6. To appoint Messrs. de Chazal du Mée & Co. as Auditors for the current year and authorise the Board of Directors to fix their remuneration.
7. To fix the Directors' remuneration.

A Member of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a Member or not) to attend and vote on his behalf. This appointment must be made in writing and the document deposited at the Registered Office of the Company not less than twenty-four hours before the time of holding the meeting.

By Order of the Board

Brigitte R. JAUFFRET
Secretary

12th June 2002
Swan Group Centre,
Port Louis,
Mauritius.

Directorate and Management



From left to right: Cyril MAYER, Gil de SORNAY, Sir René H. MAINGARD DE VILLE-ÈS-OFFRANS, J. Cyril LAGESSE, J.M. Antoine HAREL, Sir J. Emile SÉRIÈS, Me. Jean Hugues MAIGROT, P.Arnaud DALAIS.

Directors

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, B.Com., C.A. (S.A.)
Sir J. Emile SÉRIÈS, C.B.E., F.C.I.S., F.A.I.A.

Group Chief Executive

Jean DE FONDAUMIÈRE, C.A.

Executive Manager

Gérald LINCOLN

Secretary

Brigitte R. JAUFFRET

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

J. Raymond AVRILLON, M.B., FR.C.S. – Chief Medical Officer

Eric CHUNG FOR YUEN, B.Sc., A.I.A. – Actuary

Robert GALLET – Senior Manager

Paul LAM KWOH HING, A.C.I.I. – Pensions

Maxime REY – Financial Controller

Managers

Paulette CHUNG FAT – Personal Assistant to Group Chief Executive

Edward CUNNIAH – Claims

Patrick DE MARCY CHELIN – Loans

Eric HOODMAN, Grad B.C.S. – Information Technology

Bernard KISHTOO – Pensions

Vincent LAMUSSE, M.S.G. – Investments

Herbert MADANAMOOHOO, Maîtrise de Droit – Legal

Jean-Claude NG CHEONG HIN – Accountant

Carlo POLIAH, Dip. (Bus. & Fin.) – Individual Business Marketing

George SUI TIT TONG, A.C.I.I. – Individual Business Operations

Assistant Manager

Adrien CHEUNG TUNG, B.Sc. Hons. - Actuarial



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 fifty-first Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited for the year ended 31st December 2001.

Corporate Profile

The Anglo-Mauritius Assurance Society Limited, one of the market leaders in the life assurance, pension and fund administration business in Mauritius, has developed over the years a full range of insurance products and services to serve the needs of corporate and individual clients either directly or through its agents' network. Since February 1972, Swan Insurance Company Limited has acquired the majority shareholding of The Anglo-Mauritius Assurance Society Limited. Assets under the management of Anglo-Mauritius Assurance amounted to Rs. 6.3 billion and the Life Assurance Fund reached Rs. 6.2 billion at 31st December 2001. The Company manages both locally and internationally an investment portfolio which consists of equities at market value of Rs. 1.5 billion and debenture stocks at market value of Rs. 383.4 million at 31st December 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 Company participates actively in the sustainable 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 to Rs. 1.9 billion and loans on business properties totalled Rs. 435 million at 31st December 2001. The Company caters for the insurance requirements of its clients in the region.

Market capitalisation of the Company on the Mauritian Stock Exchange at 31st December 2001 was Rs. 250 million.

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

Since 11th September 2001, events previously considered highly improbable must now be taken into account in the risk evaluation exercise. The 11th September attack revealed the full extent and scope of the international terrorist threat and has made it necessary to substantially reassess the terrorism risk.

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. The events of the 11th September 2001 have had a direct impact on the increased costs of transferring the risks and buying insurance and reinsurance covers of international standards.

Insurers and reinsurers are now evaluating the new risk environment and developing new 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.

After a certain period of time, the FSC and the Bank of Mauritius will merge in view of developing a global regulatory and legal framework for bank and non-bank 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 Anglo-Mauritius Assurance 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 enabling an attractive business environment in Mauritius and to positioning our country with regards to the Organisation for Economic Co-operation and Development (OECD), the World Bank and the International Monetary Fund (IMF).

The Board consists of 1 Executive Director and 7 Non-Executive Directors. The Non-Executive Directors have a wide range of skills that enable them to exercise independent judgement in the Board's decisions. The Chairman is a Non-Executive Director whose role is independent from that of the Group Chief Executive.

The Board meets on a monthly basis. The Board 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.

Anglo-Mauritius Assurance 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 at Anglo-Mauritius Assurance 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. 27.5 million for the year to 31st December 2001 (Rs. 25 million in 2000) which results in a dividend yield of 11% on market value at 31st December 2001.

Auditors

De Chazal du Mée & Co. have expressed their willingness to continue in office as Auditors and a resolution proposing their 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, 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 once more the assistance we have received from our consulting actuaries B&W Deloitte, our main reinsurers, Swiss Re Life & Health Limited and our legal advisers, Etude de Comarmond-Koenig.

Our management and our employees have continued to show their dedication and commitment to the Company and a determination to succeed in delivering value to Shareholders and policyholders. On behalf of the Board and of the Shareholders, I would like to thank them.

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 insurance and 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 ranked 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 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 and is attributable to the cyclone Dina which is expected to affect the sugar output.

The agricultural sector faced a growth of 8.1%, the EPZ sector 4%, the wholesale and retail trade 3.2%, the hotels and restaurants 1.0% and the financial services sector 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 population of the Republic of Mauritius was at 1.2 million at the end of 2001, with a growth of 1.0% compared to the end of 2000. During this year, a decrease of 2.7% was registered in live births (19,667) and a decrease of 0.2% in deaths (7,966) with a net international migration of nearly 500 persons.

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

Source: Central Statistical Office, Bank of Mauritius

Financial Highlights

The Life Assurance Fund at 31st December 2001 amounted to Rs. 6.2 billion (Rs. 5.4 billion in 2000) increasing by Rs. 815.8 million during the year (Rs. 757.1 million in 2000).

The premiums receivable net of re-assurances and annuity considerations amounted to Rs. 751.0 million (Rs. 623.4 million in 2000) including Rs. 78.6 million for the linked Business (Rs. 43.9 million in 2000).

The Company sustained during the year death and disablement claims of Rs. 25.3 million as compared to Rs. 21.5 million in 2000. Maturities paid amounted to Rs. 226.5 million as compared to Rs. 199.6 million last year.

During the year surrenders decreased from Rs. 62.5 million to Rs. 61.0 million.

Realised capital appreciation of Rs 19.6 million was made on the non-linked account in 2001 as compared to Rs 62.9 million in 2000, and realised capital losses of Rs. 26.8 million was sustained on the linked account in 2001 as compared to Rs. 0.5 million in 2000. It should be noted that the negative figure of the linked account in 2001 is due to losses on sale of equities, and the risk thereon is born by the linked funds policyholders only.

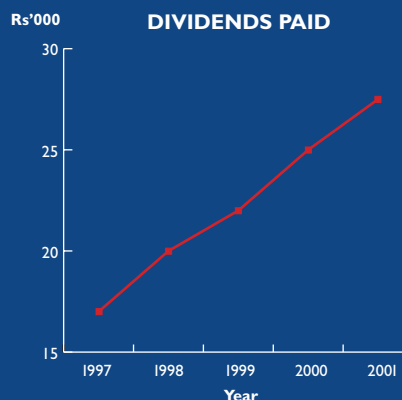
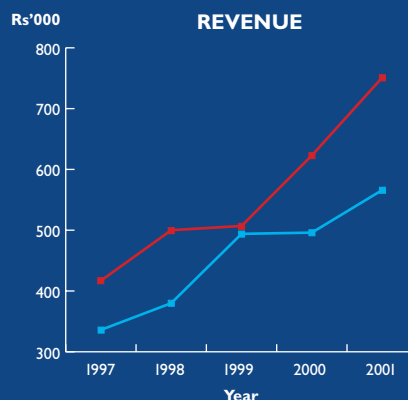
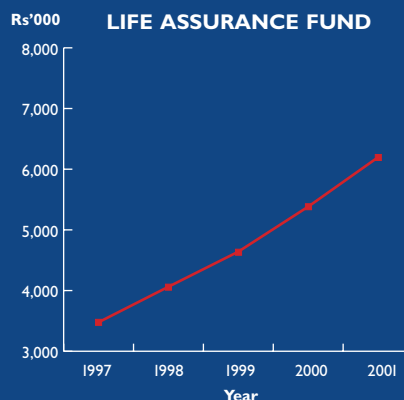
Gain on exchange of Rs. 33.6 million was made on the non-linked account in 2001 as compared to Rs 25.7 million in 2000, and Rs. 2.6 million was made on the linked account in 2001 as compared Rs. 1.6 million in 2000. This is mainly due to the appreciation of the Dollar (+8.7%) and the Euro (+3.6%) against our local currency in 2001.

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. This 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 namely pension, actuarial, life, investments and claims among others. 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

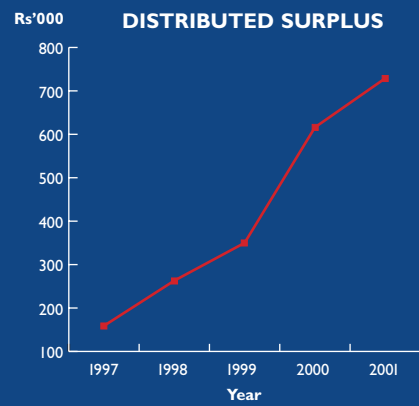
A reorganisation exercise has been carried out among the Executive Management. Gérald Lincoln after 31 years of total commitment and dedication to The Anglo-Mauritius Assurance Society Limited retired on the 31st December 2001 as Executive Manager and acts since the 1st January 2002 as Consultant to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

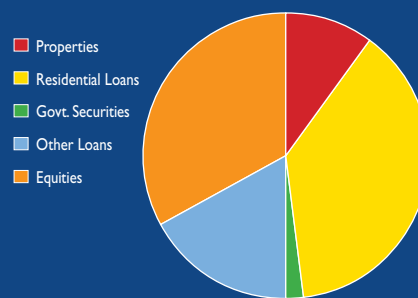
Cyril Koa Wing retired as Senior Manager of the Pensions Department of Anglo-Mauritius Assurance on the 30th June 2001. Cyril highly contributed to the development of the pensions business of Anglo-Mauritius Assurance for more than forty years. He is now acting as consultant on special projects of Anglo-Mauritius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



INVESTMENT STRUCTURE (AT MARKET VALUE)





www.groupswan.com

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 Anglo-Mauritius Assurance and Swan Insurance are described. For each product, quotation forms or proposal 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 strongly feel, that given the social and economic environment in which we have been evolving in Mauritius for the past years, we are compelled to participate actively in community projects. 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 Auditors

to the Members

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its subsidiaries set out on pages 14 to 32 which have been prepared on the basis of the accounting policies set out on pages 19 and 20.

Respective responsibilities of the Board of Directors and Auditors

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 Companies Act 2001, taking into account the Order dated March 27, 2002 made by the Registrar of Companies under section 224(2) of the Companies Act 2001, authorising Directors to prepare and present financial statements in relation to an accounting period commencing prior to December 1, 2001 in accordance with Mauritius Accounting and Auditing Standards Act 1989. 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 our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our 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 the Company's circumstances, consistently applied and adequately disclosed.

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

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

Opinion

In our opinion:

- a) we have obtained all such information and explanations which we considered necessary;
- b) proper accounting records have been kept by the Group and the Company as far as it appears from our 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 results and cash flows for the year then ended, comply with 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.

DE CHAZAL DU MEE & CO

Chartered Accountants

Port-Louis,

Mauritius.

26th April 2002

Balance Sheets

at December 31, 2001

	Notes	THE GROUP	THE COMPANY	
		2001 Rs'000	2001 Rs'000	2000 Rs'000
ASSETS EMPLOYED				
Non-current assets				
Property, plant and equipment	2	101,977	33,339	35,554
Investments	3	3,191,057	3,145,453	3,022,187
Investments in Subsidiary Companies	4	-	99,724	99,724
Other investments	5	1,490,485	1,490,485	1,258,334
Statutory Deposit		10,000	10,000	8,000
		<u>4,793,519</u>	<u>4,779,001</u>	<u>4,423,799</u>
Current assets				
Trade and other receivables	6	221,801	224,381	181,701
Short term investments	7	1,319,038	1,319,038	920,016
Cash in hand and at bank		54,069	45,677	35,216
		<u>1,594,908</u>	<u>1,589,096</u>	<u>1,136,933</u>
Current liabilities				
Trade and other payables	8	70,759	69,698	60,555
Current tax liabilities	9	12,246	12,000	12,000
		<u>83,005</u>	<u>81,698</u>	<u>72,555</u>
Net current assets		<u>1,511,903</u>	<u>1,507,398</u>	<u>1,064,378</u>
		<u>6,305,422</u>	<u>6,286,399</u>	<u>5,488,177</u>
FINANCED BY				
Capital and Reserves				
Share Capital	10	25,000	25,000	25,000
Proprietors' Fund		5,276	5,276	28,608
		<u>30,276</u>	<u>30,276</u>	<u>53,608</u>
Minority interests	11	99	-	-
		<u>30,375</u>	<u>30,276</u>	<u>53,608</u>
Non-current liabilities				
Life Assurance Fund	12	6,214,082	6,196,552	5,383,365
Employee Benefits Obligation	13	59,571	59,571	51,204
Deferred tax liabilities	14	1,394	-	-
		<u>6,275,047</u>	<u>6,256,123</u>	<u>5,434,569</u>
		<u>6,305,422</u>	<u>6,286,399</u>	<u>5,488,177</u>

These financial statements have been approved by the Board of Directors on 26th April 2002.

J.M. Antoine HAREL } DIRECTORS
J. Cyril LAGESSE }

The notes on pages 19 to 32 form an integral part of these financial statements.
 Auditors' report on pages 12 and 13.

Life Assurance Fund

(Non Linked Account) Year ended December 31, 2001

	Notes	THE GROUP	THE COMPANY	
		2001 Rs'000	2001 Rs'000	2000 Rs'000
Premiums less Re-assurances	15	590,536	590,536	513,756
Consideration for annuities	15	81,835	81,835	65,742
Interests and dividends		509,135	508,696	452,627
Realised capital gains		19,605	19,605	62,852
Net Rent from properties		17,613	13,586	11,527
Fees receivable		14,982	13,382	9,201
Net gain on exchange		33,594	33,594	25,714
		<u>1,267,300</u>	<u>1,261,234</u>	<u>1,141,419</u>
Death and disablement claims		25,330	25,330	21,541
Maturity claims		216,094	216,094	191,619
Surrenders		54,873	54,873	59,663
Annuities		61,653	61,653	52,054
Commissions		24,524	24,524	22,305
Depreciation		13,031	13,031	11,790
Computer development expenses		1,853	1,853	4,256
Rent of offices		14,042	14,042	13,005
Management expenses	16	99,600	96,508	74,009
		<u>511,000</u>	<u>507,908</u>	<u>450,242</u>
		756,300	753,326	691,177
Income Tax	9	(344)	-	-
Surplus for the year	12	<u>755,956</u>	<u>753,326</u>	<u>691,177</u>

The notes on pages 19 to 32 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Life Assurance Fund

(Linked Account)

Year ended December 31, 2001

	Notes	THE COMPANY	
		2001 Rs'000	2000 Rs'000
Premiums	15	78,620	43,853
Interests and dividends		34,973	25,873
Realised capital losses		(26,808)	(489)
Net gain on exchange		2,568	1,610
		<u>89,353</u>	<u>70,847</u>
Maturity claims		10,402	7,996
Surrenders		6,163	2,846
Annuities		8,208	5,358
Fees payable		4,719	3,654
		<u>29,492</u>	<u>19,854</u>
Surplus for the year	12	<u>59,861</u>	<u>50,993</u>

The Life Assurance Fund - Linked Account is represented by assets included in the Company's Balance Sheet.

The notes on pages 19 to 32 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Statement of Changes in Equity

Year ended December 31, 2001

	Note	Share Capital Rs'000	Proprietors' Fund Rs'000	Total Rs'000
Balance at January 1, 2000		20,000	52,066	72,066
Interest allocated		-	6,542	6,542
Dividend paid	17	-	(25,000)	(25,000)
Issue of bonus shares		5,000	(5,000)	-
Balance at December 31, 2000		<u>25,000</u>	<u>28,608</u>	<u>53,608</u>
Balance at January 1, 2001		25,000	28,608	53,608
Interest allocated		-	4,168	4,168
Dividend paid	17	-	(27,500)	(27,500)
Balance at December 31, 2001		<u>25,000</u>	<u>5,276</u>	<u>30,276</u>

The notes on pages 19 to 32 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Cash Flow Statements

Year ended December 31, 2001

	Notes	THE GROUP		THE COMPANY	
		2001 Rs'000	2001 Rs'000	2000 Rs'000	2000 Rs'000
Operating activities					
Cash generated from operations	19(a)	250,830	247,367	223,966	
Investment income received		530,390	530,390	465,283	
Interest paid		(617)	-	-	
Tax paid		(101)	-	-	
Net cash generated from operating activities		<u>780,502</u>	<u>777,757</u>	<u>689,249</u>	
Investing activities					
Purchase of property, plant and equipment		(12,771)	(10,816)	(8,012)	
Purchase of other investments		(410,455)	(410,455)	(500,551)	
Purchase of investments in Subsidiary Companies		-	-	(195)	
Purchase of investments		(26,291)	(26,291)	(87,793)	
Loans made		(307,052)	(305,069)	(427,390)	
Maturities/disposal of investments		42,971	42,971	20,110	
Disposal of property, plant and equipment		223	223	215	
Disposal of other investments		169,837	169,837	95,421	
Loans received		165,814	162,664	133,490	
Net cash used in investing activities		<u>(377,724)</u>	<u>(376,936)</u>	<u>(774,705)</u>	
Financing activity					
Dividends paid		(27,500)	(27,500)	(25,000)	
Net cash used in financing activity		<u>(27,500)</u>	<u>(27,500)</u>	<u>(25,000)</u>	
Increase/(decrease) in cash and cash equivalents		<u>375,278</u>	<u>373,321</u>	<u>(110,456)</u>	
Movement in cash and cash equivalents					
At January 1,		961,660	955,231	1,038,363	
Increase/(decrease)		411,441	409,484	(83,132)	
Effects of exchange rate changes		(36,163)	(36,163)	(27,324)	
At December 31,	19(b)	<u>1,336,938</u>	<u>1,328,552</u>	<u>927,907</u>	

The notes on pages 19 to 32 form an integral part of these financial statements.
Auditors' 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 Accounting

The financial statements are prepared in accordance with and comply with Mauritius Accounting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain investment properties.

(b) Consolidation

The consolidated financial statements include the Company and its Subsidiaries. Inter-group transactions are eliminated on consolidation.

The consolidated financial statements have been prepared in accordance with the purchase method. Goodwill on acquisition is written off in the Life Assurance Fund Account.

(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 Life Assurance Fund Account. Such balances are translated at year-end exchange rates.

(d) Investments

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

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

Income from investments is included in the Life Assurance Fund Account of the accounting period in which it is receivable.

(e) Investment properties

Investments in properties are stated at cost as adjusted by Directors' valuation. Investment properties are not subject to depreciation. Increases and decreases in their carrying amount are credited and charged to the Life Assurance Fund Account.

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

Interest costs to finance the construction of property are capitalised, during the period of time that is required to complete and prepare the property for its intended use as part of the cost of the asset.

Notes to the Financial Statements

Year ended December 31, 2001

(f) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation.

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, and the principal annual rates used are as follows:

Industrial buildings	2%
Furniture, fixtures and fittings	10%
Computer equipment	15% - 25%
Motor vehicles	20%

Land is not depreciated.

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 are determined by reference to their carrying amount and are taken into account in determining the surplus on the Life Assurance Fund Account.

(g) Loans

Loans are written down to estimated realisable value where there is no realistic prospect of recovery.

(h) Life Assurance Fund

Non Linked Account:

The surplus on the Life Assurance Fund - Non Linked Account for the year is transferred to the 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 Anglo-Mauritius Assurance Society Limited.

(i) 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.

The principal temporary differences arise from depreciation of property, plant and equipment.

(j) Employee Benefits Obligation

The Anglo-Mauritius Assurance Society Limited has an employee retirement pension fund which is internally managed. Full liability of the Employee Benefits Obligation has been recognised in the Balance Sheet as the assets are not legally separate from the reporting enterprise and cannot therefore be considered as planned assets.

Notes to the Financial Statements

Year ended December 31, 2001

2. PROPERTY, PLANT AND EQUIPMENT

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 and valuation						
Consolidation adjustment *						
Cost	40,056	67,482	17,591	1,735	19,855	146,719
Valuation	27,664	-	-	-	-	27,664
	67,720	67,482	17,591	1,735	19,855	174,383
Additions	1,455	2,075	2,226	500	6,515	12,771
Disposals	-	-	-	-	(757)	(757)
At December 31, 2001						
Cost	41,511	69,557	19,817	2,235	25,613	158,733
Valuation	27,664	-	-	-	-	27,664
	69,175	69,557	19,817	2,235	25,613	186,397
Depreciation						
Consolidation adjustment *	901	44,196	11,131	1,735	13,983	71,946
Charge for the year	139	6,945	2,533	50	3,564	13,231
Disposal adjustments	-	-	-	-	(757)	(757)
At December 31, 2001	1,040	51,141	13,664	1,785	16,790	84,420
Net book value						
At December 31, 2001	68,135	18,416	6,153	450	8,823	101,977

*The consolidation adjustment arises due to the preparation of the first set of Group financial statements and the amounts relate to the opening balances of the Holding Company.

THE COMPANY

	Furniture fixtures & fittings Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
Cost				
At January 1, 2001	67,258	17,591	19,855	104,704
Additions	2,075	2,226	6,515	10,816
Disposals	-	-	(757)	(757)
At December 31, 2001	69,333	19,817	25,613	114,763
Depreciation				
At January 1, 2001	44,036	11,131	13,983	69,150
Charge for the year	6,934	2,533	3,564	13,031
Disposal adjustments	-	-	(757)	(757)
At December 31, 2001	50,970	13,664	16,790	81,424
Net book value				
At December 31, 2001	18,363	6,153	8,823	33,339
At December 31, 2000	23,222	6,460	5,872	35,554

Notes to the Financial Statements

Year ended December 31, 2001

3. INVESTMENTS

	THE GROUP		THE COMPANY	
	2001 Rs'000	2000 Rs'000	2001 Rs'000	2000 Rs'000
Investment properties				
Freehold properties at cost as adjusted by Directors' valuation	206,757	161,153	156,868	
Shares in Société Immobilière d'Attribution Swan Group Centre at cost (see note below)	164,501	164,501	164,501	
	<u>371,258</u>	<u>325,654</u>	<u>321,369</u>	
Securities and debenture stocks				
Mauritius Government Securities	79,291	79,291	81,750	
Debenture stocks (see note 3 (a))	356,517	356,517	377,482	
	<u>435,808</u>	<u>435,808</u>	<u>459,232</u>	
Others				
Loans on policies	68,559	68,559	61,958	
Loans on residential properties	1,880,531	1,880,531	1,731,208	
Loans on business properties	434,901	434,901	448,420	
	<u>2,383,991</u>	<u>2,383,991</u>	<u>2,241,586</u>	
Total	<u>3,191,057</u>	<u>3,145,453</u>	<u>3,022,187</u>	

The investment in the Société d'Attribution confers to the Company the right to exclusive ownership of 100% of Swan Building, 30% of the ground floor and all of the 1st, 2nd, 8th, 9th and 10th floors of the Swan Group Centre as well as 24 of its parking lots.

(a) Debenture stocks

	THE GROUP AND THE COMPANY			
	Quoted Rs'000	2001 Unquoted Rs'000	Total Rs'000	2000 Total Rs'000
At January 1,	162,019	215,463	377,482	345,795
Additions	20,006	2,000	22,006	51,797
Maturities	(22,638)	(20,333)	(42,971)	(20,110)
At December 31,	<u>159,387</u>	<u>197,130</u>	<u>356,517</u>	<u>377,482</u>

The market value of the quoted debenture stocks at December 31, 2001 amounted to Rs.186,313,187 (2000 : Rs.165,501,314).

Notes to the Financial Statements

Year ended December 31, 2001

4. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2001 Rs'000	2000 Rs'000
At January 1,	99,724	99,529
Additions	-	195
At December 31,	99,724	99,724
Directors' valuation at December 31,	130,500	131,195

The Directors have valued the unquoted investments on the basis of the net worth of the Companies.

The Subsidiary Companies are as follows:

Company	Country of incorporation	Class of shares held	Nominal value of investment Rs'000	% Holding	
				2001	2000
Investment & Administrative Co. (Mauritius) Limited	Mauritius	Ordinary shares	21,514	100%	100%
Manufacturers Distributing Station Limited	"	"	47,686	99.8%	99.8%
Standard Property Co. Limited	"	"	31	100%	100%
Swan Properties Limited	"	"	2,114	100%	100%
Themis Limited	"	"	8,380	100%	100%
Verdun Industrial Building Co. Limited	"	"	19,999	100%	100%
			99,724		
Ilot Fortier Limited *	Mauritius	Ordinary shares	-	100%	100%

* The Company owns 100% of the issued capital of Ilot Fortier Ltd., through its wholly owned subsidiary Investment and Administrative Company (Mauritius) Limited.

Notes to the Financial Statements

Year ended December 31, 2001

5. OTHER INVESTMENTS

(a) Mauritius equities	THE GROUP AND THE COMPANY				
	2001				2000
	Quoted		Unquoted	Total	Total
	Listed	OTC			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost					
At January 1,	689,719	139,897	270,405	1,100,021	814,407
Additions	182,375	12,967	9,424	204,766	330,420
Disposals	(50,995)	(8,845)	(9,890)	(69,730)	(63,303)
	<u>821,099</u>	<u>144,019</u>	<u>269,939</u>	<u>1,235,057</u>	<u>1,081,524</u>
Transfer from foreign equities	-	-	2,366	2,366	-
Transfer to foreign equities	-	-	(96,350)	(96,350)	(13,090)
Realised capital gains (see note below)	21,278	-	-	21,278	31,587
At December 31,	<u>842,377</u>	<u>144,019</u>	<u>175,955</u>	<u>1,162,351</u>	<u>1,100,021</u>
Proceeds from sale of other investments	<u>48,712</u>	<u>11,521</u>	<u>11,580</u>	<u>71,813</u>	<u>63,225</u>
Market value					
At December 31,	<u>836,146</u>	<u>139,448</u>	<u>N/A</u>	<u>975,594</u>	<u>1,016,138</u>
Directors' valuation					
At December 31,	<u>N/A</u>	<u>N/A</u>	<u>250,634</u>	<u>250,634</u>	<u>334,199</u>
(b) Foreign investments	2001				2000
	Quoted		Unquoted	Total	Total
	Listed	OTC			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At January 1,	45,912	-	112,401	158,313	21,719
Additions	31,894	-	173,795	205,689	170,131
Transfer to Mauritius equities	-	-	(2,366)	(2,366)	-
Transfer from Mauritius equities	-	-	96,350	96,350	13,090
Disposals	(32,830)	-	(96,210)	(129,040)	(46,627)
Realised capital loss	-	-	(812)	(812)	-
At December 31,	<u>44,976</u>	<u>-</u>	<u>283,158</u>	<u>328,134</u>	<u>158,313</u>
Proceeds from sale of investments	<u>14,248</u>	<u>-</u>	<u>83,775</u>	<u>98,023</u>	<u>32,195</u>
Market value					
At December 31,	<u>42,093</u>	<u>-</u>	<u>N/A</u>	<u>42,093</u>	<u>36,166</u>
Directors' valuation					
At December 31,	<u>N/A</u>	<u>-</u>	<u>280,837</u>	<u>280,837</u>	<u>104,045</u>
Total other investments	<u>887,353</u>	<u>144,019</u>	<u>459,113</u>	<u>1,490,485</u>	<u>1,258,334</u>

The Directors have valued the unquoted investments on the basis of the net worth of the Companies. The realised capital gains and losses represent the difference between the market value and the book value of investments assigned to the Life Assurance Fund - Linked Account.

Notes to the Financial Statements

Year ended December 31, 2001

5. OTHER INVESTMENTS - (continued)

(c) Details of those corporations in which The Anglo-Mauritius Assurance Society Limited holds more than 10% interest are set out below :

Companies	Type of shares	Proportion Held	
		2001 %	2000 %
Autolac Investments Limited	Ordinary	10.4	10.4
Cirne Financial Services Limited	Ordinary	5	37.5
General Brokerage Limited	Ordinary	-	10.0
Ireland Blyth Limited	Ordinary	13.4	10.1
Le Refuge du Pêcheur Limited	Ordinary	10.0	10.0
Maurilait Production Limitée	Preference	14.9	14.9
Mauritius Development Investment Trust Co. Limited	Ordinary	13.4	15.6
Mauritius Freeport Development Co. Limited	Ordinary	10.0	10.0
Mauritius Venture Capital Fund Limited	Ordinary & Preference	10.0	10.0
Mauvilac & Co. Limited	Ordinary	18.7	18.7
Merville Beach Hotel Limited	Preference	15.0	15.0
Pharmacie Nouvelle Limited	Ordinary	10.1	9.6
PIP Holdings Limited	Ordinary	16.9	16.9
Printing Inks & Products Limited	Ordinary & Preference	12.7	12.7
Sugar World Limited	Ordinary	10.0	-
Saint Louis Limited	Ordinary	20.0	20.0
Standard Continuous Stationery Limited	Ordinary	20.5	20.5
Sukari Investment Co. Limited	Ordinary	14.7	14.7
The Mount S.E. Company Limited	Ordinary	11.2	11.9
Tropical Paradise Co. Limited	Ordinary	10.0	10.0
Société			
Société Le Plessis	Share of interest	20.6	20.6

The Directors do not consider the Investee Companies with a shareholding in excess of 20% to be an "Associated Company" as The Anglo-Mauritius Assurance Society Limited does not exercise a significant influence over them.

Notes to the Financial Statements

Year ended December 31, 2001

6. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Rs'000	Rs'000	Rs'000
Premiums receivable:				
- Individuals	12,070	12,070	12,070	12,099
- Schemes	13,480	13,480	13,480	8,133
Other receivables and accrued interests	190,378	188,685	188,685	153,004
Receivables from Group Companies:				
- Holding Company	5,873	5,873	5,873	4,063
- Subsidiary Companies	-	-	4,273	4,402
	221,801	224,381	224,381	181,701

7. SHORT TERM INVESTMENTS

Short term investments are made up of Bank of Mauritius and Government of Mauritius treasury bills and short term deposits.

8. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	4,738	4,738	4,738	3,916
Other payables and accruals	57,281	56,220	56,220	47,378
Outstanding claims	7,677	7,677	7,677	8,099
Amounts due to Group Companies:				
- Holding Company	1,063	1,063	1,063	1,162
	70,759	69,698	69,698	60,555

9. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2001	2000	2001	2000
	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on the adjusted profit for the year at 25% (2000: 25%)	12,246	12,000	12,000	12,000
Overprovision in previous year	(12,000)	(12,000)	(12,000)	(12,000)
Movement in deferred tax	98	-	-	-
Charge for the year	344	-	-	-

10. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	Authorised		Issued and fully paid	
	2001	2000	2001	2000
	Rs'000	Rs'000	Rs'000	Rs'000
Ordinary shares of Rs 10.- each	25,000	25,000	25,000	25,000

Notes to the Financial Statements

Year ended December 31, 2001

II. MINORITY INTERESTS

	THE GROUP
	2001
	Rs'000
Share capital of Subsidiary Company	2
Share of net profit of Subsidiary	97
At December 31,	99

12. LIFE ASSURANCE FUND

THE GROUP	2001			
	Non Linked Rs'000	Linked Rs'000	Reserves from Subsidiaries Rs'000	Total Rs'000
Consolidation adjustment *	4,895,528	487,837	14,900	5,398,265
Surplus on Life Assurance Fund for the year	753,326	59,861	-	813,187
Assignment	60,676	(60,676)	-	-
Profit from Subsidiaries	-	-	2,630	2,630
At December 31,	5,709,530	487,022	17,530	6,214,082

*The consolidation adjustment arises due to the preparation of the first set of Group financial statements and the amounts relate to the opening balances of the Holding Company.

THE COMPANY

	2001			2000
	Non Linked Rs'000	Linked Rs'000	Total Rs'000	Total Rs'000
At January 1,	4,895,528	487,837	5,383,365	4,641,195
Surplus on Life Assurance Fund for the year	753,326	59,861	813,187	742,170
Assignment	60,676	(60,676)	-	-
At December 31,	5,709,530	487,022	6,196,552	5,383,365

The Assignment from the Life Assurance Fund - Non Linked Account to Linked Account within The Anglo-Mauritius Assurance Society Limited has been effected following the calculation of the value of these specific schemes at the date of Assignment.

Notes to the Financial Statements

Year ended December 31, 2001

13. EMPLOYEE BENEFITS OBLIGATION

THE GROUP AND THE COMPANY

	2001 Rs'000	2000 Rs'000
The amounts recognised in the Balance Sheet for the present value of Defined Benefits Obligation are as follows:		
At January 1,	51,204	44,403
Charge for the year	8,394	7,640
Payment/expenses relating to obligation	(27)	(839)
At December 31,	59,571	51,204

Full liability of the present value of the Defined Benefits Obligation has been recognised, as the assets of the funded plan are not separately identifiable assets.

	2001 Rs'000	2000 Rs'000
The amounts recognised in the Life Assurance Fund Account are as follows:		
Current service cost	2,967	3,203
Interest cost	5,427	4,437
Payment/expenses relating to obligation	(27)	(839)
Total included in management expenses (note 16)	8,367	6,801

	2001 Rs'000	2000 Rs'000
Movement in the liability recognised in the Balance Sheet:		
At January 1,		
- As previously reported	51,204	-
- Effect of accounting for Employee Benefits Obligation	-	44,403
- as restated	51,204	44,403
Total expenses as above	8,367	6,801
At December 31,	59,571	51,204

14. DEFERRED TAX LIABILITIES

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

	THE GROUP 2001 Rs'000
Consolidation adjustment	1,296
Charge for the year	98
At December 31,	1,394

15. TURNOVER

Turnover is based on premiums receivable net of re-assurances and annuity considerations and is made up of:

	THE GROUP AND THE COMPANY 2001 Rs'000	2000 Rs'000
Life Assurance Fund - Non Linked Account	672,371	579,498
Life Assurance Fund - Linked Account	78,620	43,853
	750,991	623,351

Notes to the Financial Statements

Year ended December 31, 2001

16. SURPLUS ON LIFE ASSURANCE FUND - NON LINKED ACCOUNT

	THE GROUP	THE COMPANY	
	2001 Rs'000	2001 Rs'000	2000 Rs'000
The surplus on Life Assurance Fund - Non Linked Account is arrived at after:			
Crediting :			
Net Rent from properties	17,613	13,586	11,527
Fees receivable	14,982	13,382	9,201
Profit on disposal of furniture, equipment and vehicles	223	223	215
and charging :			
Depreciation	13,231	13,031	11,790
Management expenses include:			
- Directors' emoluments (see note (a) below)	446	432	418
- Auditors' remuneration	548	504	473
- Staff costs (see note (b) below)	46,452	46,452	37,476
Donations	487	487	88
Professional fees other than audit	84	86	63

(a) Directors' emoluments

Non-full time Directors

	2001 Rs'000	2001 Rs'000	2000 Rs'000
Non-full time Directors	446	432	418

During this year, the Directors have not received any amount as emoluments from related corporations (2000 - Nil).

(b) Analysis of staff costs

Salaries
Social security costs
Pension costs

	2001 Rs'000	2001 Rs'000	2000 Rs'000
Salaries	37,527	37,527	30,346
Social security costs	558	558	510
Pension costs	8,367	8,367	6,620
	46,452	46,452	37,476

The number of employees at the end of the year was :

- Operation
- Administration

	2001 Rs'000	2001 Rs'000	2000 Rs'000
- Operation	160	160	159
- Administration	7	7	8
	167	167	167

17. DIVIDENDS

THE GROUP AND THE COMPANY

	2001 Rs'000	2000 Rs'000
Dividends paid 110% (2000 - 100%)	27,500	25,000

Notes to the Financial Statements

Year ended December 31, 2001

18. EARNINGS PER SHARE

THE GROUP AND THE COMPANY

	2001 Rs'000	2000 Rs'000
Earnings attributable to ordinary shareholders is based on:		
- Amount transferred from Life Assurance Fund Account (see note below)	20,524	20,524
- Interest allocated	4,169	6,542
	24,693	27,066
Number of ordinary shares in issue	2,500,000	2,500,000
Earnings per ordinary share	Rs. 9.88	10.83

The above amount of Rs 20.524 million represents one-third of the total amount transferred from the Life Assurance Fund to Proprietors' Fund following the actuarial valuation conducted as at December 31, 1998.

19. NOTES TO THE CASH FLOW STATEMENT

THE GROUP THE COMPANY

	2001 Rs'000	2001 Rs'000	2000 Rs'000
(a) Cash generated from operations			
Reconciliation of surplus in the Life Assurance Fund Accounts and profits before income tax to cash generated from operations:			
Surplus in Life Assurance Fund Accounts and profits before income tax	816,186	813,187	742,170
Adjustments for:			
Depreciation	13,231	13,031	11,790
Profit on sale of property, plant and equipment	(223)	(223)	(215)
Interest allocated to Proprietors' Fund	4,168	4,168	6,542
Investment income	(552,332)	(552,332)	(484,047)
Net gain on exchange	(36,163)	(36,163)	(27,324)
Loss on sale of securities & equities	28,934	28,934	14,510
Realised capital appreciation	(20,466)	(20,466)	(31,587)
Interest expense	617	-	-
Loss on redemption of investment	459	459	-
Changes in working capital (excluding the effects of acquisition and disposal):			
Trade and other receivables	(21,225)	(20,738)	(16,334)
Trade and other payables	9,277	9,143	1,660
Employee Benefits Obligation	8,367	8,367	6,801
Cash generated from operations	250,830	247,367	223,966

THE GROUP THE COMPANY

	2001 Rs'000	2001 Rs'000	2000 Rs'000
(b) Cash and cash equivalents			
Cash at bank and in hand	47,398	45,677	35,216
Short term deposits	669,609	662,944	628,472
Short term investments	656,094	656,094	291,543
	1,373,101	1,364,715	955,231
Less exchange gain	(36,163)	(36,163)	(27,324)
	1,336,938	1,328,552	927,907

Notes to the Financial Statements

Year ended December 31, 2001

20. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2001 Rs'000	2000 Rs'000
Outstanding commitments approved by the Board of Directors for the following investments:-		
Loans	185,500	357,400
Investments in freehold properties	-	58,000
Investments in equities and securities	34,300	47,000
	219,800	462,400

21. ULTIMATE HOLDING COMPANY

The Directors regard Intendance Holding Ltd. incorporated in Mauritius, as the ultimate holding company.

22. INTEREST OF DIRECTORS

	Direct	
	No. of ordinary shares	%
- Sir J. Emile Sériès	3,118	0.12
- M.J. Cyril Lagesse	1,250	0.05
- Sir René H. Maingard de Ville-ès-Offrans	1,615	0.06
	5,983	0.23

23. RELATED PARTY TRANSACTIONS - THE GROUP

	Related Companies	
	2001 Rs'000	2000 Rs'000
Loans, guarantees or collaterals	107,577	114,072
Equities	48,204	48,624
Amount owed by	4,894	5,264
Interests	12,845	11,475

Notes to the Financial Statements

Year ended December 31, 2001

24. FIVE YEAR FINANCIAL REVIEW

	THE GROUP		THE COMPANY			
	2001 Rs'000	2001 Rs'000	2000 Rs'000	1999 Rs'000	1998 Rs'000	1997 Rs'000
Issued and paid up Share Capital	25,000	25,000	25,000	20,000	20,000	20,000
Proprietors' Fund	5,276	5,276	28,608	52,066	4,689	21,772
Life Assurance Fund	6,214,082	6,196,552	5,383,365	4,641,195*	4,077,940	3,478,021
Revaluation and Other Reserves	-	-	-	-	13,369	16,285
Dividends	27,500	27,500	25,000	22,000	20,000	17,000
Earnings attributable to Shareholders	<u>24,693</u>	<u>24,693</u>	<u>27,066</u>	<u>28,328</u>	<u>14,568</u>	<u>15,609</u>

*As restated

Group financial statements have been prepared for the first time for the year ended December 31, 2001 in compliance with the Companies Act 2001.

Certificate by the 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.

Brigitte R. JAUFFRET
Secretary

26th April 2002.

Directors of the Subsidiary Companies

Year ended December 31, 2001

APPENDIX I

- **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.

- **Manufacturers' Distributing Station 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.

- **Swan Properties Limited:**

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

- **Themis Limited:**

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

Auditors:	De Chazal Du Mée & Co.
Bankers:	Bank of Baroda Banque Nationale de Paris“Intercontinentale” Barclays Bank PLC Habib Bank Ltd. State Bank of Mauritius Ltd. The HongKong and Shanghai Banking Corporation Ltd. The Mauritius Commercial Bank Ltd.
Consultating Actuaries:	B&W Deloitte M. B. Brown, F.I.A., A.S.A.
Legal Advisers:	De Comarmond-Koenig
Main Reinsurers:	Swiss Re Life & Health Limited

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED

PROXY FORM

I/We _____ of
_____ being shareholders of the abovenamed Company
hereby appoint _____
or failing him/her, _____ of
_____ as my/our proxy to vote for me/us at the Meeting
of the Company to be held on 28 June 2002 and at any adjournment of the meeting.

Signed this _____ day of _____ 2002.

Signature _____



The Anglo-Mauritius Assurance Society Ltd.
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Port Louis, Mauritius

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Fax: (230) 208 8956
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