

The Anglo-Mauritius Assurance Society Limited

Annual Report **2002**



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Our Vision

“To be the reference in the region
as a provider of financial solutions”



Notice of Meeting to Shareholders

52nd Annual Meeting

Notice is hereby given that the **fifty-second Annual Meeting** of the Company will be held on **Friday 27th June 2003 at 15.00 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 28th June 2002.
2. To receive the Directors' Report and the Chairman's Statement.
3. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2002.
4. To ratify the dividend of Rs. 12.- per share declared by the Board of Directors and paid on 20th December 2002.
5. To re-elect Mr J. Cyril Lagesse as Director of the Company to hold office until the next Annual Meeting. Mr Lagesse having attained the age of 70 needs to seek re-election under Section 138 of the Companies Act 2001.
6. To re-appoint Messrs. de Chazal du Mée & Co. as Auditors until the conclusion of the next Annual Meeting and authorise the Board of Directors to fix their remuneration.

By order of the Board of Directors
Jean Paul CHASTEAU DE BALYON
Group Company Secretary

16th May 2003
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.

The Anglo-Mauritius Assurance Society Limited

Annual Report - 31st December 2002

The Directors have pleasure in submitting the Annual Report of The Anglo-Mauritius Assurance Society Limited and of the Group, together with the audited financial statements for the year ended 31st December 2002 as set out on pages 12 to 37.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of life assurance, pension and fund administration business.

DIRECTORS

The names of the Directors of the Company are given on page 4. In addition, a list of Directors of Subsidiary Companies is found in the Appendix I which forms an integral part of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company and of the Subsidiaries have service contracts.

DIRECTORS' REMUNERATION

Remuneration received from the Company and related corporations are disclosed in Note 17 to the financial statements.

DONATIONS

The amount of donations made by the Company and the Group are disclosed in Note 17 to the financial statements.

AUDITORS' REMUNERATION

The fees paid to the auditors for audit and other services are found in Note 17 to the financial statements.

Approved by the Board of Directors on 16th May 2003 and signed on its behalf by:



M.J. Cyril Lagesse
Chairman



Cyril Mayer
Director

Directorate and Management



From left to right: J. L. Philippe DE CHASTEAUNEUF, Me. M.F.I. Jean Hugues MAIGROT, Me. Pierre DOGER DE SPÉVILLE, M.J. Cyril LAGESSE, Cyril MAYER, M. M. Hector ESPITALIER-NOËL, P.Arnaud DALAIS, Thierry LAGESSE.

Directors

M. J. Cyril LAGESSE – Chairman
Cyril MAYER, B. Com., C.A. (S.A.)
P.Arnaud DALAIS
Me. M. F. I. Jean Hugues MAIGROT
Me. Pierre DOGER DE SPÉVILLE (as from 26th April 2002)
M. M. Hector ESPITALIER-NOËL, A.C.A. (as from 26th April 2002)
J. L. Philippe DE CHASTEAUNEUF (as from 26th April 2002)
Thierry LAGESSE (as from 28th June 2002)
J. M. Antoine HAREL, F.C.A. (up to 28th June 2002)
Sir René H. MAINGARD DE LA VILLE-ÈS-OFFRANS, C.B.E. (up to 28th June 2002)
Sir J. Emile SÉRIÈS, C.B.E., F.C.I.S., F.A.I.A. (up to 28th June 2002)

Group Chief Executive

Jean DE FONDAUMIÈRE, C.A.

Executive Manager

Louis RIVALLAND, B.Sc. Hons., F.I.A.

Group 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)

Gérald LINCOLN



Senior Managers

J. Raymond AVRILLON, M.B., F.R.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
Mark WHATLEY, B.Sc. (Hons.), F.I.A. - Actuary

Managers

Paulette CHUNG FAT - Personal Assistant to Group Chief Executive
Edward CUNNIAH - Claims
Patrick DE MARCY CHELIN - Loans
Sophie DECOTTER, B.Soc.Sc. - Group Human Resources
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



Chairman's Statement

and Directors' Report

On behalf of the Board of Directors, I am pleased to submit the fifty-second Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited for the year ended 31st December 2002.

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.

Swan Insurance Company Limited is the major shareholder of The Anglo-Mauritius Assurance Society Limited.

Assets under the management of Anglo-Mauritius Assurance amounted to Rs. 7.2 billion and the Life Assurance Fund reached Rs. 6.9 billion at 31st December 2002.

The Company manages both locally and internationally an investment portfolio which consists of equities at market value of Rs. 1.7 billion and debenture stocks at market value of Rs. 201.0 million at 31st December 2002.

Investments are made in key sectors of activity in Mauritius and in the region, such as tourism, real estate, sugar, trade and financial services.

The Company 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 to

Rs. 2.1 billion and loans on business properties totalled Rs. 358 million at 31st December 2002.

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 2002 was Rs. 237.5 million.

Regulatory and Legal Framework

Legal proposals have been submitted to members of the Insurers' Association. The objective is to improve the regulation and supervision of the insurance industry and provide greater protection to policyholders.

The call for an updated legislation has been prompted not only by the various shortcomings of the Insurance Act 1987 but also by the need for our legislation to be in line with international standards.

The aim of modernising the legal framework and strengthening supervision is also to avoid sudden failures of insurance companies which in the recent past left too many policyholders and members of the public without any insurance protection. This caused considerable damage to the reputation of the whole industry. The legislative proposals also aim to ensure greater security and financial stability as well as promoting sounder competition.

The introduction, on 10th June 2002, of the Financial

Intelligence and Anti-Money Laundering Act (FIAML Act) puts a mandatory obligation on any employee or director of a financial institution to report to the Financial Intelligence Unit (FIU) any transaction which they have reason to believe is of a suspicious nature. This Act will have a direct impact on the way insurance companies conduct their business.

An Anti-Money Laundering code of practice will have to be implemented by insurance companies, as it has been the case in the banking sector, to comply with the obligations set out in the FIAML Act.

Corporate Governance

The Board of Directors of Anglo-Mauritius is committed to the fundamental values of integrity, transparency and accountability in carrying out the Company's business activities. In November 2002, the Board of Directors voted a Code of Ethics for the Company which was based on the Model Code of Conduct prepared by the Joint Economic Council (JEC) and adapted to meet the specific needs of Anglo-Mauritius.

This Code of Ethics is a statement of the guiding principles of conduct which Anglo-Mauritius expects its directors and employees to follow when carrying out their work. Such a code is a statement to the Company's customers, shareholders, employees, suppliers and competitors, and all those who come into contact with Anglo-Mauritius, as to what standards of dealing they can expect from the directors and employees of the Company.

The code will be regularly reviewed to ensure that it reflects changes in the law and gives appropriate emphasis to current issues of concern.

The rapidly changing socio-economic environment and especially the growing demand for transparency worldwide, requires that Mauritius reviews and adjusts mechanisms to ensure high standards of conduct both in the public and private sectors. The Anglo-Mauritius Assurance Society Ltd., as one of the market leaders in life assurance, pensions and fund administration in Mauritius, fully supports the promotion of good corporate governance in both the public and private spheres.

Dividends

The Directors recommended the payment of a dividend of Rs. 30 million for the year to 31st December 2002 (Rs. 27.5 million in 2001) which results in a dividend yield of 12.6% on market value at 31st December 2002.

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. J.M. Antoine Harel, who had expressed the wish of retiring from the Board of The Anglo-Mauritius Assurance Society Ltd., resigned on 28th June 2002. The Directors would like to record their appreciation of the invaluable contribution of Mr. J.M. Antoine Harel for the many years during which he has been associated with the Company and their appreciation of his leadership role as Chairman of the Board of Anglo-Mauritius.

Sir René H. Maingard de La Ville-ès-Offrans and Sir J. Emile Sériès, who had expressed the wish of retiring from the Board, resigned on 28th June 2002. The Directors would like to thank them for their significant contribution to the Company's development over the years.

Me. Pierre Doger de Spéville, Mr. Hector Espitalier-Noël and Mr. Philippe de Chasteauneuf were appointed as Directors of the Company on 26th April 2002.

Mr. Thierry Lagesse was appointed as Director of the Company on 28th June 2002.

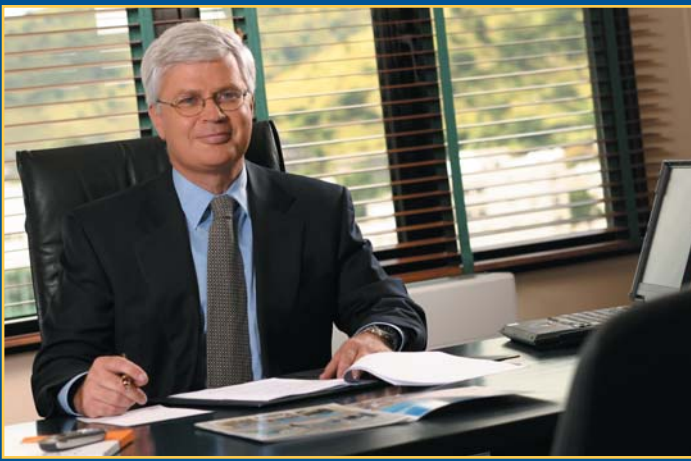
Acknowledgements to our key partners and employees

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 express my gratitude.



M.J. Cyril Lagesse
Chairman



Group Chief Executive's Review

The world economy in 2002 was expected to grow at a moderate pace. The United States, Japan and Europe showed an increase in economic activity during the first half of 2002. However, following major crisis in the financial markets and geopolitical uncertainties, the pace of the global recovery slowed down, particularly in industrial countries.

Global Gross Domestic Product (GDP) growth for 2002 is estimated at 3% and forecast at 3.2% for 2003 (World Economic Outlook, April 2003 – International Monetary Fund).

The events of 11th September 2001 seriously impacted on the insurance and reinsurance industry worldwide. In 2002, insurers and reinsurers suffered from stock market losses, floods and natural catastrophes.

Economic Highlights

The Mauritian economy grew by 2.5% in 2002 compared to a forecast of 4.0% made in October 2002. This lower growth rate is attributable to a negative growth of 14.4% in agriculture (-19.3% for sugar) and a negative rate of 4.0% in the EPZ sector. The financial sector growth rate was 2.0% as compared to 11.0% in 2001, mainly caused by a decrease in the level of activities of offshore banks which resulted in nearly zero growth in the banking sector. The insurance sector grew by 8% in 2002 compared to 10% in 2001 and is expected to increase by 5.0% in 2003. The tourism and construction sectors had positive growth rates in 2002 of 3.2% and 7.0% respectively.

The growth rate of Mauritius is forecast at 5.8% for 2003. A good performance in the sugar sector (15.2%) is

expected while the EPZ sector should benefit from the African Growth Opportunity Act (AGOA) II and is expected to reach a positive growth rate of around 3.0%. Positive rates are expected for other key sectors of the Mauritian economy namely the financial sector (3.6%), the tourism sector (2.7%) and the construction sector (7.0%).

Total investment reached Rs. 31.2 billion in 2002, which represents an increase of 4.8% compared to 2001 (Rs. 29.8 billion), but in real terms it grew by 1.4%. An increase of 11.8% (8.8% in real terms) is forecast for total investment in 2003 which is expected to reach Rs. 34.9 billion.

The investment rate has been in decline for the past three years from 23.5% in 2000 to 22.0% in 2002. It is expected to reach 22.2% in 2003.

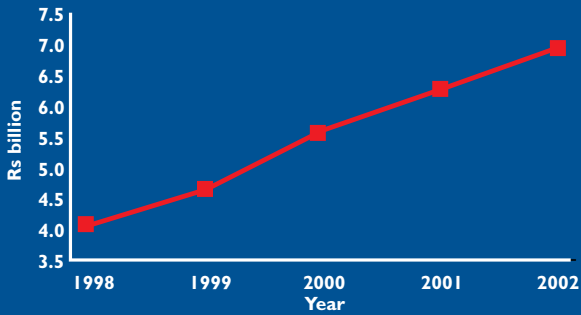
The inflation rate was 6.4% in calendar year 2002 as compared to 5.4% in 2001. The inflation rate is forecast at 5.0% for financial year 2002-2003.

The population of the Republic of Mauritius was slightly more than 1.2 million in 2002 which indicates a 0.9% growth over 2001. The total labour force was about 541,100 in 2002 representing an increase of 0.5% compared to 2001. Male labour force was around 353,700 and female labour force around 187,400. Total employment reached 490,000 in 2002.

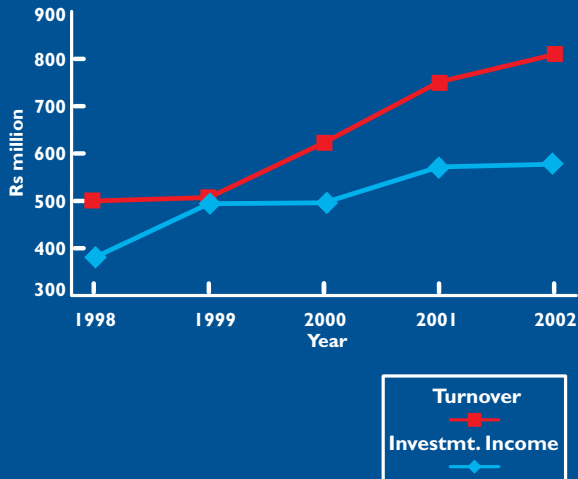
Unemployment rate was 9.8% (8.5% for males and 12.2% for females) in 2002 as compared to 9.1% in 2001.

GDP per capita is estimated at Rs. 128,664 for 2003 as compared to Rs. 117,557 in 2002 indicating an increase of 9.4%.

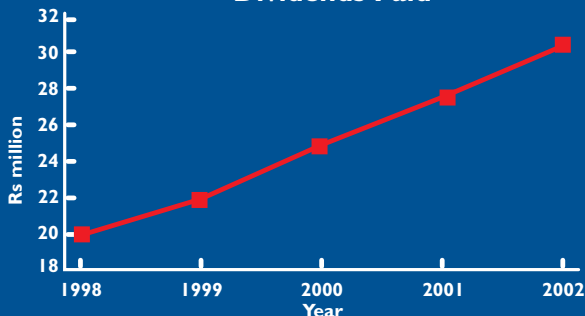
Life Assurance Fund



Revenue



Dividends Paid



Financial Highlights

The Life Assurance Fund at 31st December 2002 amounted to Rs. 6.9 billion (Rs. 6.3 billion in 2001 as restated) increasing by Rs. 676.8 million during the year (Rs. 641.6 million in 2001 as restated).

In compliance with International Accounting Standards (IAS), the Life Assurance Fund now includes a fair value reserve of Rs. 162.2 million in 2002 (Rs. 58.7 million in 2001 as restated). The fair value reserve showed an increase of Rs. 103.5 million during the year as compared to a decrease of Rs. 174.2 million in 2001 as restated.

The premiums receivable net of re-assurances and annuity considerations amounted to Rs. 809.3 million (Rs. 751.0 million in 2001) including Rs. 73.9 million for the linked business (Rs. 78.6 million in 2001).

The Company sustained during the year death and disablement claims of Rs. 25.0 million as compared to Rs. 25.3 million in 2001. Maturities paid amounted to Rs. 280.9 million as compared to Rs. 226.5 million last year.

Surrenders for the year amounted to Rs. 246.6 million and includes a large pension fund transfer. The corresponding figure for the previous year was Rs. 61.0 million.

Realised capital appreciation of Rs. 49.1 million was made on the non-linked account in 2002 as compared to Rs. 19.6 million in 2001, and realised capital losses of Rs. 17.0 million was sustained on the linked account in 2002 as compared to Rs. 26.8 million in 2001. It should be noted that the negative figure on the linked account in 2002 is due to losses on sale of equities, and is borne directly by the linked funds policyholders.

Gain on exchange of Rs. 26.1 million was made on the non-linked account in 2002 as compared to Rs. 33.6 million in 2001, and Rs. 1.5 million was made on the linked account in 2002 as compared to Rs. 2.6 million in 2001. This is mainly due to the appreciation of the Euro against our local currency in 2002.

Reporting and Regulations

Two important changes were made during the year in compliance with International Accounting Standards (IAS). The first was the adoption of IAS 39, which deals with the recognition and measurement of Financial Instruments, and the second was the adoption of IAS 40, which deals with Investment in Property.

The Company has reported changes in fair value of "available for sale" securities in the Life Assurance Fund, and has chosen to measure investment property at depreciated cost less any accumulated impairment losses, and disclose its fair value by way of note.

Investments

During the year 2002, the SEMDEX increased by 17.6% while the MSCI World index, which measures the

performance of the most important stock exchanges worldwide, recorded a negative return of 23.6% in rupee terms. Interest rates in the US and Europe have been repeatedly reduced to boost the economy. In Mauritius, the level of interest rate followed a similar trend.

Anglo-Mauritius currently administers several investment Funds with specific investment strategies to meet the needs and objectives of policyholders and pension funds.

Our largest fund is the With-Profit Fund, with assets of Rs. 6.6 billion at market value as at 31st December 2002 compared to Rs. 6.0 billion the previous year. This fund is the vehicle for all the products offering investment guarantees. As each product type has its own ideal long-term asset allocation strategy, the investment strategy for the whole fund is derived from the relative weighting within the fund of these different products. Following the advice of our actuaries, approximately two thirds of the fund is currently invested in fixed income securities and one third in equities and properties. This fund achieved a higher return in 2002 than in the previous year, mainly due to the good performance of the local stock exchange over the year.

Our best performing fund over 2002 was the Equity Fund (Pension). This fund invests at least 90% of its assets in quoted shares of well-established companies, on the local and foreign markets. Our most popular unitised funds, the General Fund (Life) and the Secure Fund (Pension), have achieved returns in line with expectations.

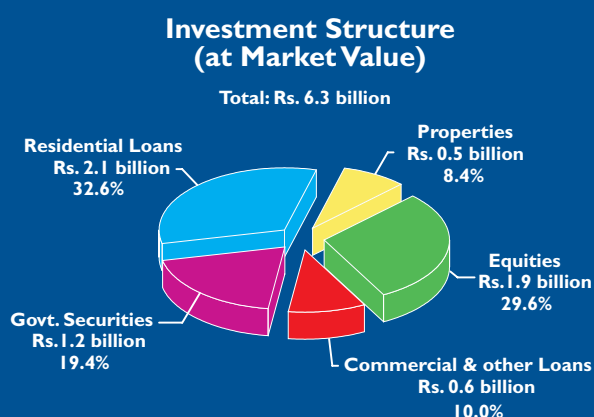
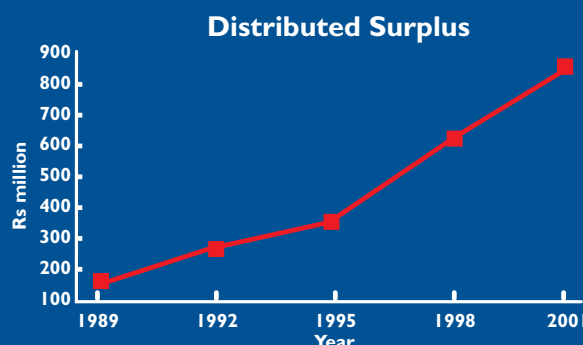
Information Technology

Our Life and Pension Businesses together with our Fund Management sector are managed with the latest technology that ensures access to the Company's data systems is enabled in a secure environment. We strive to keep pace with recent developments and advances in the field of Information Technology by constantly re-evaluating the performance of our systems. With the introduction of our Web site in 2001, business can now be triggered via the Internet and we foresee a new era of on-line interaction with our customers.

Human Resources

Brigitte R. Jauffret retired as Secretary of The Anglo-Mauritius Assurance Society Ltd. on 31st December 2002 and Jean Paul Chateau de Balyon, Assistant Executive Manager (Administration) and Company Secretary of Swan Insurance Company Ltd., was appointed Group Company Secretary of The Anglo-Mauritius Assurance Society Ltd. on 1st January 2003.

I would like to take this opportunity to thank Brigitte R. Jauffret for her total commitment and dedication to The Anglo-Mauritius Assurance Society Ltd. for more than 30 years and wish her a happy retirement.



A Group Communication and Human Resources Department was set up within the Swan Group in March 2002 in view of further developing the Group's internal and external communication strategies and enhancing employees' personal and professional development. Josie Lapiere, Consultant to the Group Chief Executive, was appointed Head of the Group Communication and Human Resources Department and Sophie Decotter, Group Human Resources Manager.

Maxime Rey, Financial Controller of The Anglo-Mauritius Assurance Society Ltd., was appointed Head of the Loans and Legal Departments of the Company on 1st January 2003.

Eric Chung For Yuen, Senior Manager of the Actuarial Department of The Anglo-Mauritius Assurance Society Ltd., was appointed Head of the Claims Department of the Company on 1st January 2003.

Mark Whatley joined the Actuarial Department of The Anglo-Mauritius Assurance Society Ltd. as Actuary on 1st December 2002. He is a Fellow of the Institute of Actuaries and holds a B.Sc. Honours in Mathematics with Russian. He was previously employed as an actuary and pensions consultant by Mercer Human Resource Consulting Limited in London, United Kingdom.

Training

The Management Team of The Anglo-Mauritius Assurance Society Ltd. participated in a Facilitation Session conducted by De Chazal du Mée (DCDM) during which the vision, values and strategies of the organisation were developed. The Company's vision, values and strategies were discussed and communicated to the staff of The Anglo-Mauritius Assurance Society Ltd. during working sessions facilitated by DCDM.

A Modern Management Trends Training Programme is being conducted with the Management Team of The Anglo-Mauritius Assurance Society Ltd. by Maingard Piat & Associates since November 2002 to drive and manage change throughout the organisation and to create a learning and continuous improvement culture.

Training sessions were organised for the staff and agents of The Anglo-Mauritius Assurance Society Ltd. in respect of the launch of the new *Unit-Linked Personal Pension Plan*. During the year, agents followed training sessions on the *Educational Plan*, *Mortgage Plan*, *Capital Growth Plan* and *Personal Pension Plan*. These courses were conducted by Carlo Poliah, Agency Manager of the Individual Business Marketing Department.

Communication

Launch of the *Unit-Linked Personal Pension Plan*

An integrated marketing and communication strategy was developed by The Anglo-Mauritius Assurance Society Ltd. for the launch of the *Unit-Linked Personal Pension Plan* in 2002. A national advertising campaign was

conducted in November 2002 using communication channels and tools such as billboards, the press and radio.

A brochure describing the key features of the product was prepared and a mailing exercise was conducted to target existing and potential clients. Innovative marketing approaches were adopted through the use of a call centre 24 hours a day and telemarketing techniques.

Sponsorship of the Tennis for the 6th Indian Ocean Islands Games

The Swan Group, official sponsor of the Tennis for the *6th Indian Ocean Islands Games*, remitted the sum of Rs. 750,000 to the *Comité Organisateur des Jeux des Iles (COJI)* in 2002. Swan Insurance Company Ltd. and The Anglo-Mauritius Assurance Society Ltd. have always been closely associated with sports, athletics, football, swimming and more specially tennis with the sponsorship of the first ATP tournament in 1996, the ITF tournament in 2000 and the *Davis Cup Group 3 Euro Africa* in 2001.

Quality, professionalism, competitiveness and human development are concepts that we firmly believe in at the Swan Group. Over the years, we have been committed to the promotion of sports in Mauritius as one of the means of contributing to the socio-economic development of the country.



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 37 which have been prepared on the basis of the accounting policies set out on pages 19 to 22.

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and or for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

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. 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.

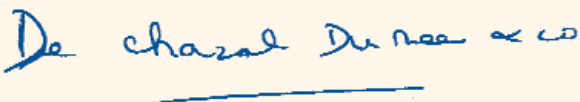
We have no relationship with, or any interests in, the Group and the Company other than in our capacity as auditors, tax and business advisers and other than dealings with the Group and the Company in the ordinary course of business.

Opinion

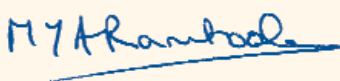
We have obtained all such information and explanations which we considered necessary.

In our opinion:

- a) proper accounting records have been kept by the Group and the Company as far as it appears from our examination of those records;
- b) the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2002 and of its results and cash flows for the year then ended, comply with the Companies Act 2001 and have been prepared in accordance with and comply with International Accounting Standards.



DE CHAZAL DU MEE & CO
Chartered Accountants



Port-Louis,
Mauritius.
16th May 2003

Balance Sheets

at December 31, 2002

	Notes	THE GROUP		THE COMPANY	
		As restated		As restated	
		2002	2001	2002	2001
		Rs'000	Rs'000	Rs'000	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	161,579	101,977	129,695	33,339
Investment property	3	302,841	371,258	228,554	325,654
Investments in Subsidiary Companies	4	-	-	99,724	99,724
Other investments	5	5,124,062	4,476,203	5,124,062	4,476,203
Non-current receivables	6	48,990	-	48,990	-
Statutory Deposit		10,000	10,000	10,000	10,000
		<u>5,647,472</u>	<u>4,959,438</u>	<u>5,641,025</u>	<u>4,944,920</u>
Current assets					
Trade and other receivables	7	285,032	221,801	283,879	224,381
Short term investments	8	1,233,502	1,211,792	1,233,502	1,211,792
Cash in hand and at bank		41,329	54,069	30,216	45,677
		<u>1,559,863</u>	<u>1,487,662</u>	<u>1,547,597</u>	<u>1,481,850</u>
Total assets		<u>7,207,335</u>	<u>6,447,100</u>	<u>7,188,622</u>	<u>6,426,770</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	9	25,000	25,000	25,000	25,000
Proprietors' Fund		68,334	5,276	68,334	5,276
		<u>93,334</u>	<u>30,276</u>	<u>93,334</u>	<u>30,276</u>
Minority interests	10	107	99	-	-
		<u>93,441</u>	<u>30,375</u>	<u>93,334</u>	<u>30,276</u>
Non-current liabilities					
Life Assurance Fund	11	6,949,516	6,272,755	6,929,253	6,255,225
Employee Benefits Obligation	12	63,637	59,571	63,637	59,571
Deferred tax liabilities	13	1,452	1,394	-	-
		<u>7,014,605</u>	<u>6,333,720</u>	<u>6,992,890</u>	<u>6,314,796</u>
Current liabilities					
Trade and other payables	14	86,583	70,759	90,398	69,698
Current tax liabilities	15	12,706	12,246	12,000	12,000
		<u>99,289</u>	<u>83,005</u>	<u>102,398</u>	<u>81,698</u>
Total equity and liabilities		<u>7,207,335</u>	<u>6,447,100</u>	<u>7,188,622</u>	<u>6,426,770</u>

These financial statements have been approved for issue by the Board of Directors on 16th May 2003.



M.J. Cyril Lagesse
Chairman



Cyril Mayer
Director

} **DIRECTORS**

The notes on pages 19 to 37 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, 2002

	Notes	THE GROUP		THE COMPANY	
		As restated		As restated	
		2002	2001	2002	2001
		Rs'000	Rs'000	Rs'000	Rs'000
Premiums less Re-assurances	16	644,235	590,536	644,235	590,536
Consideration for annuities	16	91,144	81,835	91,144	81,835
Interests and dividends		520,741	509,135	524,115	508,696
Realised capital gains		50,927	19,605	49,147	19,605
Net Rent from properties		11,487	17,613	4,385	13,586
Fees receivable		12,307	14,982	12,307	13,382
Net gain on exchange		26,101	33,594	26,101	33,594
		<u>1,356,942</u>	<u>1,267,300</u>	<u>1,351,434</u>	<u>1,261,234</u>
Death and disablement claims		25,055	25,330	25,055	25,330
Maturity claims		277,672	216,094	277,672	216,094
Surrenders		241,401	54,873	241,401	54,873
Annuities		72,229	61,653	72,229	61,653
Commissions		26,728	24,524	26,728	24,524
Fees payable		11,556	16,696	11,556	16,696
Depreciation		19,675	13,031	19,614	13,031
Computer Development expenses		2,421	1,853	2,421	1,853
Rent of offices		7	14,042	7	14,042
Management expenses	17	90,905	82,904	88,964	79,812
		<u>767,649</u>	<u>511,000</u>	<u>765,647</u>	<u>507,908</u>
		589,293	756,300	585,787	753,326
Income Tax	15	(3,530)	(344)	(2,765)	-
		<u>585,763</u>	<u>755,956</u>	<u>583,022</u>	<u>753,326</u>
Minority interest	10	(8)	-	-	-
		<u>585,755</u>	<u>755,956</u>	<u>583,022</u>	<u>753,326</u>
Transfer to Proprietors' Fund		(84,532)	-	(84,532)	-
Surplus for the year	17	<u>501,223</u>	755,956	<u>498,490</u>	753,326

The notes on pages 19 to 37 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Life Assurance Fund

(Linked Account)

Year ended December 31, 2002

	Notes	THE COMPANY	
		2002 Rs'000	2001 Rs'000
Premiums	16	73,876	78,620
Interests and dividends		38,822	34,973
Realised capital losses		(17,013)	(26,808)
Net gain on exchange		1,523	2,568
		<u>97,208</u>	<u>89,353</u>
Maturity claims		3,188	10,402
Surrenders		5,174	6,163
Annuities		11,156	8,208
Fees payable		5,654	4,719
		<u>25,172</u>	<u>29,492</u>
Surplus for the year	17	<u>72,036</u>	<u>59,861</u>

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

The notes on pages 19 to 37 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Statement of Changes in Equity

Year ended December 31, 2002

	Note	Share Capital Rs'000	Proprietors' Fund Rs'000	Total Rs'000
Balance at January 1, 2001		25,000	28,608	53,608
Interest allocated		-	4,168	4,168
Dividends paid	18	-	(27,500)	(27,500)
Balance at December 31, 2001		<u>25,000</u>	<u>5,276</u>	<u>30,276</u>
Balance at January 1, 2002		25,000	5,276	30,276
Transfer from Life Assurance Fund		-	84,532	84,532
Interest allocated		-	8,526	8,526
Dividends paid	18	-	(30,000)	(30,000)
Balance at December 31, 2002		<u>25,000</u>	<u>68,334</u>	<u>93,334</u>

The notes on pages 19 to 37 form an integral part of these financial statements.

Auditors' report on pages 12 and 13.

Cash Flow Statements

Year ended December 31, 2002

	Notes	THE GROUP		THE COMPANY	
		2002 Rs'000	As restated 2001 Rs'000	2002 Rs'000	As restated 2001 Rs'000
Operating activities					
Cash generated from operations	20(a)	102,322	250,830	105,939	247,367
Investment income received		488,128	530,390	488,061	530,390
Interest paid		(3,583)	(617)	(3,270)	-
Tax paid		(3,012)	(101)	(2,765)	-
Net cash generated from operating activities		<u>583,855</u>	<u>780,502</u>	<u>587,965</u>	<u>777,757</u>
Investing activities					
Purchase of property, plant and equipment		(14,648)	(12,771)	(14,132)	(10,816)
Purchase of investment property		(5,603)	(4,285)	(5,603)	(4,285)
Purchase of other investments	5	(1,094,337)	(797,012)	(1,094,337)	(797,012)
Loans made		(357,583)	(307,052)	(357,583)	(305,069)
Maturities/disposal of investments		712,093	212,808	712,093	212,808
Disposal of property, plant and equipment		8,448	223	1,095	223
Disposal of investment property		513	-	513	-
Loans received		206,436	165,814	206,436	162,664
Net cash used in investing activities		<u>(544,681)</u>	<u>(742,275)</u>	<u>(551,518)</u>	<u>(741,487)</u>
Financing activity					
Dividends paid		(30,000)	(27,500)	(30,000)	(27,500)
Net cash used in financing activity		<u>(30,000)</u>	<u>(27,500)</u>	<u>(30,000)</u>	<u>(27,500)</u>
Increase in cash and cash equivalents		<u>9,174</u>	<u>10,727</u>	<u>6,447</u>	<u>8,770</u>
Movement in cash and cash equivalents					
At January 1,		717,007	670,117	708,621	663,688
Increase		36,798	46,890	34,071	44,933
Effects of exchange rate changes		(27,624)	(36,163)	(27,624)	(36,163)
At December 31,	20(b)	<u>726,181</u>	<u>680,844</u>	<u>715,068</u>	<u>672,458</u>

The notes on pages 19 to 37 form an integral part of these financial statements.
Auditors' report on pages 12 and 13.

Notes to the Financial Statements

Year ended December 31, 2002

I. ACCOUNTING POLICIES

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

(a) Basis of accounting

The International Accounting Standards are being applied in full for the first time. Previously, the Company has presented its financial statements using only Mauritian Accounting Standards as the primary basis of accounting. Where necessary comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that available for sale securities are stated at their fair value.

(b) Investment in Subsidiaries

The Company

Investment in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company made up to December 31, each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The consolidated financial statements have been prepared in accordance with the purchase method. Goodwill on acquisition is capitalised and written off. All significant intercompany transactions, balances and unrealised gains on transactions are eliminated.

(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) Investment property

In the current year, the Group has adopted the International Accounting Standards - IAS 40 - Investment Property for the first time. Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Building	2%
Land is not depreciated.	

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.

Notes to the Financial Statements

Year ended December 31, 2002

(e) 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:

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.

(f) 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.

(g) Financial instruments

In the current year, the Group has adopted the following International Accounting Standards for the first time.

IAS 32- Financial Instruments: Presentation and disclosure

IAS 39- Financial Instruments: Recognition and measurement

IAS 39 has introduced a comprehensive framework for accounting for all financial instruments.

The principal effects of the adoption of IAS 39 have been that the Group's investments in securities, other than investments in subsidiary companies, are now carried at fair value.

Financial assets and financial liabilities are recognised on the Group's Balance Sheet when the Group has become a party to the contractual provisions of the instrument.

Notes to the Financial Statements

Year ended December 31, 2002

The Group's accounting policies in respect of the main financial instruments are set out below:-

(i) Receivables

Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Investment in Securities

Initial recognition

Investments are recognised on a trade-date basis and are initially measured at cost.

Subsequent recognition

Held to maturity debt securities

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts.

Available for sale securities

Available for sale securities are measured at subsequent reporting dates at fair value. Unrealised gains and losses on such securities are recognised directly in Life Assurance Fund, until the security is disposed of or found to be impaired, at which time the cumulative gain or loss previously recognised is included in the Linked and Non Linked Accounts of the respective Life Assurance Fund for the year. On disposal, the profit or loss recognised in the Linked and Non Linked Accounts of the respective Life Assurance Fund is the difference between the proceeds and the carrying amount of the asset.

(iii) Trade payables

Trade payables are stated at their nominal value.

(iv) Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(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.

The principal temporary difference arises from depreciation on property, plant and equipment.

(i) 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, 2002

(j) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services and after eliminating sales within the group.

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.

(k) Financial risk factors

The Company's activities expose it to a variety of financial risks, including:

- Credit risk and
- Changes in equity market prices, foreign currency exchange rates and interest rates.

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

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Euros and US dollars in foreign deposits and foreign securities. The Company does not hedge their exposure to foreign currency risk in the local reporting currency.

Credit risk

The Company's credit risk is primarily attributable to loans made on business and residential properties.

Proper valuation of the properties is made and the loans are fully secured on these properties. In respect of loans on residential properties, the amount advanced represent in general not more than 60% of the valuation. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables, estimated by the Company's management based on prior experience and the current economic environment.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company's policy is to lend at fixed interest rates except for circumstantial changes in interest rates in loans on residential properties.

Notes to the Financial Statements

Year ended December 31, 2002

2. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP					Total Rs'000
	Freehold land and buildings Rs'000	Furniture fixtures & fittings Rs'000	Computer equipment Rs'000	Electrical equipment Rs'000	Motor vehicles Rs'000	
Cost and valuation						
At January 1, 2002						
Cost	41,511	69,557	19,817	2,235	25,613	158,733
Valuation	27,664	-	-	-	-	27,664
	<u>69,175</u>	<u>69,557</u>	<u>19,817</u>	<u>2,235</u>	<u>25,613</u>	<u>186,397</u>
Reclassification (see note (a) below)	60,002	-	-	-	-	60,002
Additions	973	2,187	2,321	-	9,167	14,648
Disposals	-	(2,960)	(88)	-	(5,150)	(8,198)
	<u>-</u>	<u>(2,960)</u>	<u>(88)</u>	<u>-</u>	<u>(5,150)</u>	<u>(8,198)</u>
At December 31, 2002						
Cost	102,486	68,784	22,050	2,235	29,630	225,185
Valuation	27,664	-	-	-	-	27,664
	<u>130,150</u>	<u>68,784</u>	<u>22,050</u>	<u>2,235</u>	<u>29,630</u>	<u>252,849</u>
Depreciation						
At January 1, 2002	1,040	51,141	13,664	1,785	16,790	84,420
Reclassification (see note (a) below)	(1,040)	-	-	-	-	(1,040)
Charge for the year	1,974	6,867	2,033	50	4,812	15,736
Disposal adjustments	-	(2,664)	(32)	-	(5,150)	(7,846)
	<u>-</u>	<u>(2,664)</u>	<u>(32)</u>	<u>-</u>	<u>(5,150)</u>	<u>(7,846)</u>
At December 31, 2002	<u>1,974</u>	<u>55,344</u>	<u>15,665</u>	<u>1,835</u>	<u>16,452</u>	<u>91,270</u>
Net book values						
At December 31, 2002	<u>128,176</u>	<u>13,440</u>	<u>6,385</u>	<u>400</u>	<u>13,178</u>	<u>161,579</u>
At December 31, 2001	<u>68,135</u>	<u>18,416</u>	<u>6,153</u>	<u>450</u>	<u>8,823</u>	<u>101,977</u>

(a) Following the adoption of IAS 40 (Investment property), the following transfers have been made within the Group:-

	Rs'000
Transferred from investment property	98,251
Transferred to investment property	(38,249)
	<u>60,002</u>

Notes to the Financial Statements

Year ended December 31, 2002

2. PROPERTY, PLANT AND EQUIPMENT - (continued)

	THE COMPANY				
	Freehold land and buildings Rs'000	Furniture fixtures & fittings Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
Cost					
At January 1, 2002	-	69,333	19,817	25,613	114,763
Reclassification (see note (b) below)	98,251	-	-	-	98,251
Additions	457	2,187	2,321	9,167	14,132
Disposals	-	(2,960)	(88)	(5,150)	(8,198)
At December 31, 2002	98,708	68,560	22,050	29,630	218,948
Depreciation					
At January 1, 2002	-	50,970	13,664	16,790	81,424
Charge for the year	1,974	6,856	2,033	4,812	15,675
Disposal adjustments	-	(2,664)	(32)	(5,150)	(7,846)
At December 31, 2002	1,974	55,162	15,665	16,452	89,253
Net book values					
At December 31, 2002	96,734	13,398	6,385	13,178	129,695
At December 31, 2001	-	18,363	6,153	8,823	33,339

- (b) Following the adoption of IAS 40 (Investment property), Rs.98.25 million have been transferred from Investment Property to Property, Plant and Equipment, representing floors used by the Company to run its operations.

Notes to the Financial Statements

Year ended December 31, 2002

3. INVESTMENTS PROPERTY

	THE GROUP Total Rs'000	THE COMPANY Total Rs'000
Cost		
At January 1, 2002	371,258	325,654
Reclassification (see note 2 (a) above)	(60,002)	(98,251)
Additions	5,603	5,603
Disposals	(8,901)	(513)
At December 31, 2002	307,958	232,493
Depreciation		
At January 1, 2002	-	-
Reclassification (see note 2 (a) above)	1,039	-
Charge for the year	4,078	3,939
At December 31, 2002	5,117	3,939
Net book values		
At December 31, 2002	302,841	228,554
At December 31, 2001	371,258	325,654

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. The investment in the Swan Group Centre is transferred to Property, Plant and Equipment following adoption of IAS 40 (Investment property).

The fair value of the investment property is estimated as follows :

	THE GROUP Total Rs'000	THE COMPANY Total Rs'000
Investment property	604,287	530,000

4. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2002 Rs'000	2001 Rs'000
At January 1 and December 31,	99,724	99,724

Notes to the Financial Statements

Year ended December 31, 2002

4. INVESTMENTS IN SUBSIDIARY COMPANIES - (continued)

The Subsidiary Companies are as follows:

Companies	Country of incorporation	Class of shares held	Nominal value of investment Rs'000	% Holding	
				2002	2001
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.

5. OTHER INVESTMENTS

	THE GROUP AND THE COMPANY			
	2002			2001
	Held to maturity Rs'000	Available for sale Rs'000	Total Rs'000	Total Rs'000
(a) Local Securities				
At January 1,				
- as previously stated	1,091,902	1,162,351	2,254,253	1,850,796
- effect of adopting - IAS 39	-	63,877	63,877	250,316
- as restated	1,091,902	1,226,228	2,318,130	2,101,112
Additions	775,440	138,413	913,853	591,323
Disposal	(445,281)	(110,828)	(556,109)	(115,160)
	1,422,061	1,253,813	2,675,874	2,577,275
Increase/(decrease) in fair value	-	140,859	140,859	(186,439)
Transfer from foreign securities	-	-	-	2,366
Transfer to foreign securities	-	-	-	(96,350)
Realised capital gains	-	-	-	21,278
At December 31,	1,422,061	1,394,672	2,816,733	2,318,130

Notes to the Financial Statements

Year ended December 31, 2002

5. OTHER INVESTMENTS - (continued)

	THE GROUP AND THE COMPANY			
	2002			2001
	Held to maturity Rs'000	Available for sale Rs'000	Total Rs'000	Total Rs'000
(b) Foreign Securities				
At January 1,				
- as previously stated	-	328,134	328,134	158,313
- effect of adopting - IAS 39	-	(5,204)	(5,204)	(17,406)
- as restated	-	322,930	322,930	140,907
Additions	-	180,484	180,484	205,689
(Decrease)/ increase in fair value	-	(37,357)	(37,357)	12,202
Transfer to Mauritius securities	-	-	-	(2,366)
Transfer from Mauritius securities	-	-	-	96,350
Disposal	-	(123,850)	(123,850)	(129,040)
Realised capital loss	-	-	-	(812)
At December 31,	-	342,207	342,207	322,930
Total securities	1,422,061	1,736,879	3,158,940	2,641,060

	2002	2001
	Rs'000	Rs'000
(c) Loans receivables		
Loans on policies	72,913	68,559
Loans on residential properties	2,055,540	1,880,531
Loans on business properties	357,695	434,901
	<u>2,486,148</u>	<u>2,383,991</u>
Total investments	5,645,088	5,025,051
Analysed as follows:-		
Non-current	5,124,062	4,476,203
Current (see note 8)	521,026	548,848
	<u>5,645,088</u>	<u>5,025,051</u>

(d) Held to maturity investments comprise of Mauritius Government Securities and Debenture Stocks with interest rates varying from 8.5% to 13%. The Company intends and is able to hold the investments until maturity date. The market value of debenture stocks at December 31, 2002 amounted to Rs.200,962,980 (2001 : Rs.383,443,187).

(e) Available for sale securities comprise principally of listed, quoted and unquoted equity securities. The fair value of listed or quoted available for sale securities is based on the Stock Exchange or OTC quoted or brokers' statement prices at the close of business on Balance Sheet date. In assessing the fair value of unquoted available for sale securities, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date.

Notes to the Financial Statements

Year ended December 31, 2002

5. OTHER INVESTMENTS - (continued)

(f) 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	
		2002 %	2001 %
Autolac Investments Limited	Ordinary	10.4	10.4
Cathedral Development Limited	Ordinary	20.0	20.0
Ireland Blyth Limited	Ordinary	13.5	13.4
Le Refuge du Pêcheur Limited	Ordinary	10.0	10.0
Maurilaît Production Limitée	Preference	14.9	14.9
Mauritius Development Investment Trust Co. Limited	Ordinary	10.2	13.4
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	16.9	18.7
Holiday & Leisure Resorts Limited	Preference	15.0	15.0
Pharmacie Nouvelle Limited	Ordinary	10.1	10.1
PIP Holdings Limited	Ordinary	16.9	16.9
Printing Inks & Products Limited	Ordinary & Preference	12.7	12.7
Sugar World Limited	Ordinary	10.0	10.0
Standard Continuous Stationery Limited	Ordinary	20.5	20.5
Sukari Investment Co. Limited	Ordinary	20.1	14.7
The Mount S.E. Company Limited	Ordinary	6.9	11.2
Tropical Paradise Co. Limited	Ordinary	17.5	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, 2002

6. NON CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Loan to related corporations	48,990	-	48,990	-

7. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Premium receivable:				
- Individuals	12,349	12,070	12,349	12,070
- Schemes	16,109	13,480	16,109	13,480
Other receivables and accrued interests	249,402	190,378	244,292	188,685
Receivables from Group Companies:				
- Holding Company	7,172	5,873	7,172	5,873
- Subsidiary Companies	-	-	3,957	4,273
	285,032	221,801	283,879	224,381

8. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Short term deposits	712,476	662,944	712,476	662,944
Other investments (see note 5)	521,026	548,848	521,026	548,848
	1,233,502	1,211,792	1,233,502	1,211,792

9. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	Authorised		Issued and fully paid	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Ordinary shares of Rs 10.- each	25,000	25,000	25,000	25,000

10. MINORITY INTERESTS

	THE GROUP	
	2002 Rs'000	2001 Rs'000
At January 1/consolidation adjustment	99	99
Share of net profit	8	-
At December 31,	107	99

Notes to the Financial Statements

Year ended December 31, 2002

II. LIFE ASSURANCE FUND

THE GROUP

	2002				2001	
	Non Linked Rs'000	Linked Rs'000	Reserves from subsidiaries Rs'000	Fair value reserve Rs'000	Total Rs'000	Total Rs'000
At January 1,						
-as previously reported	5,709,530	487,022	17,530	-	6,214,082	5,398,265
-effect of adopting IAS 39	-	-	-	58,673	58,673	232,910
-as restated	5,709,530	487,022	17,530	58,673	6,272,755	5,631,175
Surplus on Life Assurance Fund for the year	498,490	72,036	-	-	570,526	813,187
Profit from subsidiaries	-	-	2,733	-	2,733	2,630
Release of fair value reserve	-	-	-	(38,637)	(38,637)	(14,222)
Remeasurement of available for sale securities	-	-	-	142,139	142,139	(160,015)
At December 31,	6,208,020	559,058	20,263	162,175	6,949,516	6,272,755

THE COMPANY

	2002			2001	
	Non Linked Rs'000	Linked Rs'000	Fair value reserve Rs'000	Total Rs'000	Total Rs'000
At January 1,					
-as previously reported	5,709,530	487,022	-	6,196,552	5,383,365
-effect of adopting IAS 39	-	-	58,673	58,673	232,910
-as restated	5,709,530	487,022	58,673	6,255,225	5,616,275
Surplus on Life Assurance Fund for the year	498,490	72,036	-	570,526	813,187
Release of fair value reserve	-	-	(38,637)	(38,637)	(14,222)
Remeasurement of available for sale securities	-	-	142,139	142,139	(160,015)
At December 31,	6,208,020	559,058	162,175	6,929,253	6,255,225

Notes to the Financial Statements

Year ended December 31, 2002

12. EMPLOYEE BENEFITS OBLIGATION

THE GROUP AND THE COMPANY

	2002 Rs'000	2001 Rs'000
The amounts recognised in the Balance Sheet for the present value of Defined Benefits Obligation are as follows:		
Present value of funded obligations	73,233	62,360
Unrecognised actuarial loss	(9,596)	(2,789)
At December 31,	63,637	59,571

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.

	2002 Rs'000	2001 Rs'000
The amounts recognised in the Life Assurance Fund Account are as follows:		
Current service cost	3,354	2,967
Interest cost	5,962	5,427
Payment/expenses relating to obligation	(5,250)	(27)
Total included in management expenses (note 17)	4,066	8,367

	2002 Rs'000	2001 Rs'000
Movement in the liability recognised in the Balance Sheet		
At January 1,	59,571	51,204
Total expenses as above	4,066	8,367
At December 31,	63,637	59,571

13. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 15%-25%. The movement on the deferred income tax account is as follows:

	THE GROUP	
	2002 Rs'000	2001 Rs'000
At January 1/ consolidation adjustment	1,394	1,296
Charge for the year	58	98
At December 31,	1,452	1,394

Deferred tax liabilities and deferred tax charge in the Life Assurance Fund are attributable to accelerated tax depreciation.

Notes to the Financial Statements

Year ended December 31, 2002

14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	6,138	4,738	6,138	4,738
Other payables and accruals	69,868	57,281	68,683	56,220
Outstanding claims	7,214	7,677	7,214	7,677
Amounts due to Group Companies				
- Holding Company	3,363	1,063	3,363	1,063
- Subsidiary companies	-	-	5,000	-
	86,583	70,759	90,398	69,698

15. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on the adjusted profit for the year at 15%-25% (2001: 15%-25%)	12,706	12,246	12,000	12,000
Overprovision in previous year	(9,234)	(12,000)	(9,235)	(12,000)
Movement in deferred tax	58	98	-	-
Charge for the year	3,530	344	2,765	-

16. TURNOVER

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

	THE COMPANY	
	2002	2001
	Rs'000	Rs'000
Life Assurance Fund - Non Linked Account	735,379	672,371
Life Assurance Fund - Linked Account	73,876	78,620
	809,255	750,991

Notes to the Financial Statements

Year ended December 31, 2002

17. SURPLUS ON LIFE ASSURANCE FUND - NON LINKED ACCOUNT

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
The surplus on Life Assurance Fund - Non Linked Account is arrived at after:				
Crediting :				
Net rent from properties	11,487	17,613	4,385	13,586
Fees receivable	12,307	14,982	12,307	13,382
Profit on disposal of property, plant and equipment	743	223	743	223
and charging :				
Depreciation	19,675	13,231	19,614	13,031
Audit and other fees (see note (a) below)	762	634	667	590
Management expenses include:				
- Directors' emoluments (see note (b) below)	337	453	316	432
- Staff costs (see note (c) below)	56,788	56,916	56,788	56,916
- Donations	211	487	211	487

(a) The fees paid to the auditors, De Chazal Du Mée & Co, for audit and other services were :

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Audit services	612	548	529	504
Other services	150	86	138	86
	762	634	667	590

(b) During the year, the Directors have also received Rs 346,000 as emoluments from other related corporations (2001 - Rs.54,000).

(c) Analysis of staff costs

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000
Salaries	52,117	47,991	52,117	47,991
Social security costs	605	558	605	558
Pension costs	4,066	8,367	4,066	8,367
	56,788	56,916	56,788	56,916

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

	THE GROUP		THE COMPANY	
	2002	2001	2002	2001
- Operation	163	160	163	160
- Administration	8	7	8	7
	171	167	171	167

Notes to the Financial Statements

Year ended December 31, 2002

18. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2002	2001
	Rs'000	Rs'000
Dividends paid 120% (2001 - 110%)	<u>30,000</u>	<u>27,500</u>

19. EARNINGS PER SHARE

	THE GROUP AND THE COMPANY	
	2002	2001
	Rs'000	Rs'000
Earnings attributable to ordinary shareholders is based on:		
- Amount transferred from Life Assurance Fund Account (see note below)	28,177	20,524
- Interest allocated	<u>8,526</u>	<u>4,169</u>
	<u>36,703</u>	<u>24,693</u>
Number of ordinary shares in issue	<u>2,500,000</u>	<u>2,500,000</u>
Earnings per ordinary share	Rs. <u>14.68</u>	<u>9.88</u>

The above amount of Rs 28.177 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, 2001.

Notes to the Financial Statements

Year ended December 31, 2002

20. NOTES TO THE CASH FLOW STATEMENT

	THE GROUP		THE COMPANY	
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 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	661,329	816,186	657,823	813,187
Adjustments for:				
Depreciation on property, plant & equipment	15,875	13,231	15,675	13,031
Depreciation on investment property	3,171	-	3,939	-
Profit on sale of property, plant and equipment	(1,687)	(223)	(743)	(223)
Interest allocated to Proprietors' Fund	8,526	4,168	8,526	4,168
Investment income	(555,656)	(552,332)	(555,589)	(552,332)
Net gain on exchange	(27,624)	(36,163)	(27,624)	(36,163)
(Gain)/loss on sale of securities	(32,134)	28,934	(32,134)	28,934
Realised capital appreciation	-	(20,466)	-	(20,466)
Interest expense	3,583	617	3,270	-
Loss on redemption of investment	-	459	-	459
Changes in working capital (excluding the effects of acquisition and disposal):				
Trade and other receivables	6,998	(21,225)	8,030	(20,738)
Trade and other payables	15,875	9,277	20,700	9,143
Employee Benefits Obligation	4,066	8,367	4,066	8,367
Cash generated from operations	102,322	250,830	105,939	247,367

	THE GROUP		THE COMPANY	
	2002 Rs'000	As restated 2001 Rs'000	2002 Rs'000	As restated 2001 Rs'000
(b) Cash and cash equivalents				
Cash at bank and in hand	38,754	47,398	30,216	45,677
Short term deposits	715,051	669,609	712,476	662,944
	753,805	717,007	742,692	708,621
Less exchange gain	(27,624)	(36,163)	(27,624)	(36,163)
	726,181	680,844	715,068	672,458

Notes to the Financial Statements

Year ended December 31, 2002

21. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2002 Rs'000	2001 Rs'000
Outstanding commitments approved by the Board of Directors for the following investments:-		
Loans	174,300	185,500
Investments in freehold properties	17,400	-
Investments in equities and securities	18,000	34,300
	209,700	219,800

22. ULTIMATE HOLDING COMPANY

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

23. INTEREST OF CHIEF EXECUTIVE/DIRECTORS

	Direct	
	No. of ordinary shares	%
Chief Executive		
- Jean De Fondaumière	653	0.026
Directors		
- Pierre Doger De Speville	70	0.003
- J. Cyril Lagesse	1,250	0.050
	1,973	0.079

24. RELATED PARTY TRANSACTIONS - THE GROUP

	Related Companies	
	2002 Rs'000	2001 Rs'000
Loans, Guarantees or collaterals	120,240	107,577
Equities	62,456	48,204
Amount owed by	1,206	4,894
Premiums	9,834	12,845

Notes to the Financial Statements

Year ended December 31, 2002

25. FIVE YEAR FINANCIAL REVIEW

	THE GROUP		THE COMPANY				
	2002 Rs'000	2001 Rs'000	2002 Rs'000	2001 Rs'000	2000 Rs'000	1999 Rs'000	1998 Rs'000
Issued and paid up Share Capital	25,000	25,000	25,000	25,000	25,000	20,000	20,000
Proprietors' Fund	68,334	5,276	68,334	5,276	28,608	52,066	4,689
Life Assurance Fund	6,949,516	6,272,755*	6,929,253	6,255,225*	5,616,275*	4,641,195	4,077,940
Revaluation and Other Reserves	-	-	-	-	-	-	13,369
Dividends	30,000	27,500	30,000	27,500	25,000	22,000	20,000
Earnings attributable to Shareholders	<u>36,703</u>	<u>24,693</u>	<u>36,703</u>	<u>24,693</u>	<u>27,066</u>	<u>28,328</u>	<u>14,568</u>

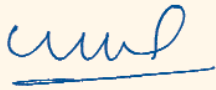
* As restated

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 Group Company Secretary

Year ended December 31, 2002

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
Group Company Secretary

16th May 2003.

Directors of the Subsidiary Companies

Year ended December 31, 2002

APPENDIX I

- **Ilot Fortier Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*

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

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*

- **Manufacturers' Distributing Station Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- Mr. Gerald LINCOLN (as from 18th March 2002)
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*
- *Mr. Gil de SORNAY (up to 18th March 2002)*

- **Standard Property Company Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- Mr. Gerald LINCOLN (as from 18th March 2002)
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*
- *Mr. Gil de SORNAY (up to 18th March 2002)*

- **Swan Properties Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- Mr. Gerald LINCOLN (as from 18th March 2002)
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*
- *Mr. Gil de SORNAY (up to 18th March 2002)*

- **Themis Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*

- **Verdun Industrial Building Company Limited:**

- Mr. J. Cyril LAGESSE - Chairman
- Mr. Cyril MAYER, B. Com., C.A. (S.A.) (as from 28th June 2002)
- Mr. Jean de FONDAUMIÈRE, C.A.
- Mr. Gerald LINCOLN (as from 18th March 2002)
- *Mr. J.M. Antoine HAREL, F.C.A. (up to 28th June 2002)*
- *Mr. Gil de SORNAY (up to 18th March 2002)*

Auditors:

De Chazal Du Mée & Co.

Bankers:

Bank of Baroda
Barclays Bank PLC
First City Bank Ltd.
Habib Bank Ltd.
State Bank of Mauritius Ltd.
The HongKong and Shanghai Banking Corporation Ltd.
The Mauritius Commercial Bank Ltd.
Union de Banques Suisses (Luxembourg) S.A.

Consulting Actuaries:

B&W Deloitte
M. B. Brown, F.I.A., A.S.A.
Deloitte & Touche, Actuaries and Consultants

Legal Advisers:

De Comarmond-Koenig

Main Reinsurers:

Swiss Re Life & Health Limited

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD.

PROXY FORM

I/We
of
being a member/s of **THE ANGLO-MAURITIUS ASSURANCE SOCIETY 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 27th June 2003 at 15.00 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 28th June 2002.			
2. To receive the Directors' Report and Chairman's Statement.			
3. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2002.			
4. To ratify the dividend of Rs. 12.- per share declared by the Board of Directors and paid on 20th December 2002.			
5. To re-elect Mr J. Cyril Lagesse as Director of the Company to hold office until the next Annual Meeting. Mr Lagesse having attained the age of 70 needs to seek re-election under Section 138 of the Companies Act 2001.			
6. To re-appoint Messrs. de Chazal du Mée & Co. as Auditors until the conclusion of the next Annual Meeting and authorise the Board of Directors to fix their remuneration.			

Dated this day of 2003.

(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 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.