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Our Vision



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

Our Values



- ***Customer Oriented***
- ***Professionalism***
- ***Competitiveness***
- ***Knowledge***
- ***Quality and Security***
- ***People Focus***

Notice is hereby given that the **fifty-third Annual Meeting** of the Company will be held on **Friday 25th June 2004 at 10.30 hours**, on the 6th floor of the 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 27th June 2003.
2. To receive the Chairman's Statement and the Directors' Report.
3. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2003.
4. To re-appoint 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.
5. To re-elect Mr M. J. Cyril Lagesse as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.

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

10th May 2004
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.

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of The Anglo-Mauritius Assurance Society Limited and of the Group for the year ended December 31, 2003, contents of which are listed below:

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This report was approved by the Board of Directors on 10th May 2004.



M.J. Cyril Lagesse
Chairman



Cyril Mayer
Director

Principal Activities

Year ended December 31, 2003

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of life assurance, pension and fund administration business. The principal activities of each subsidiary are shown hereunder and have remained unchanged during the year:

Swan Properties Ltd.	Purchase, development and sale of land
Verdun Industrial Building Co. Ltd.	Rental of industrial building
Standard Property Ltd.	Rental of property
Manufacturers' Distributing Station Ltd.	Investment Company
Ilot Fortier Ltd.	Purchase, development and sale of land
Investment and Administrative Co. (Mtius) Ltd.	Investment Company
Themis Ltd.	Purchase, development and sale of land

Directorate & Management

for the financial year 2003



M. J. Cyril LAGESSE



Cyril MAYER



P. Arnaud DALAIS



Me. M. F. I. Jean Hugues MAIGROT

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
M. M. Hector ESPITALIER-NOËL, A.C.A.
J. L. Philippe DE CHASTEAUNEUF, F.A.I.A.
Thierry LAGESSE

Group Chief Executive

Jean DE FONDAUMIÈRE, C.A.

Executive Manager

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

Group Company Secretary

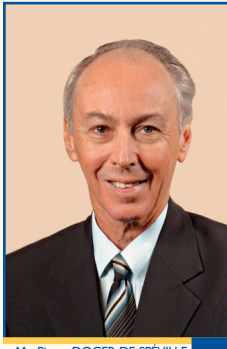
Jean Paul CHASTEAU DE BALYON

Registered Office

Swan Group Centre
Intendance Street
Port Louis

Consultants to the Group Chief Executive

Josie LAPIERRE, D.U.T., M.S.G., D.E.A.
Gérald LINCOLN



Me. Pierre DOGER DE SPÉVILLE



M. M. Hector ESPITALIER-NOËL



J. L. Philippe DE CHASTEAUNEUF



Thierry LAGESSE

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 KWONG HING, A.C.I.I. – Pensions
Maxime REY – Financial Controller
Michel THOMAS, F.C.I.I., MCI Arb – Group Research & Development
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, MBCS – Information Technology
Bernard KISHTOO – Pensions
Vincent LAMUSSE, M.S.G. – Investments
Herbert MADANAMOOTHO, 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

On behalf of the Board of Directors, I am pleased to submit the fifty-third Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited for the year ended 31st December 2003.



M.J. Cyril Lagesse - Chairman

Corporate Profile

The Anglo-Mauritius Assurance Society Limited, one of the market leaders in the life assurance, pensions, actuarial and investment 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 sales representatives' network.

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

Assets under the management of The Anglo-Mauritius amounted to Rs. 8.4 billion and the Life Assurance Fund reached Rs. 8.1 billion at 31st December 2003.

The Company manages both locally and internationally an investment portfolio which consists of equities at market value of Rs. 2.4 billion and debenture stocks at market value of Rs. 123.0 million at 31st December 2003.

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 caters for the insurance requirements of its clients in the region.

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. 274 million at 31st December 2003.

Benefits paid to policyholders, beneficiaries and annuitants amounted to Rs. 408.4 million at 31st December 2003.

Market capitalisation of the Company on the Mauritian Stock Exchange at 31st December 2003 was Rs. 390 million.

Legal and Regulatory Framework

After the introduction, in June 2002, of the Financial Intelligence and Anti-Money Laundering (FIAML) Act, much attention was devoted this year to aligning the legislation with the latest Financial Action Task Force (FATF) recommendations and the issue of regulations and guidance codes to ensure effective compliance.

In April 2003, the Financial Services Commission (FSC) issued an Anti-Money Laundering Code to describe the anti-money laundering practice expected from insurance entities and to assist them in complying with the obligations contained in the FIAML Act. In June 2003, regulations were made by the Minister, known as the FIAML Regulations 2003, which provided for, inter alia, the appointment of a Money Laundering Reporting Officer (MLRO). The FIAML Act 2002 was further amended in September 2003 to strengthen the investigative powers of the Financial Intelligence Unit in relation to a reported suspicious transaction.

Concerning the introduction of new legislation for the regulation of both short and long term insurance business, the FSC has submitted draft bills to the industry and consultations are under way. The Insurers Association has set up a special committee to thoroughly examine the proposed legislations and amendment proposals have been consolidated and submitted to the regulator.

Corporate Governance

Compliance with the Code of Corporate Governance issued in October 2003 will be a requirement as from the reporting year (financial period) ending 30th June 2005. Full conformance with the Code will be progressive, but it can already be reported that the values by which the Company is carrying its operations are inspired by the fundamental principles stated in the Code like good financial, social, ethical and environmental practice. Moreover, as a Corporate Citizen the Company appreciates that it cannot act independently from the community in which it operates.

Performance is also essential, and our operations are constantly focused on business success and the creation of a steady long-term growth in shareholder value.

Code of Ethics

The Company is participating in the initiative of the Joint Economic Council (JEC) in view of developing systems for the implementation and accreditation processes of the Code of Ethics. The Code was voted by the Board of Directors, based on the Model Code of Conduct proposed by the JEC and adapted to meet the specific needs of the Company.

Safety, Health and Environment

The Company is committed to the development and implementation of safety, health and environment policies and practices which comply with existing legislative and regulatory frameworks. In this area, the Company is aiming for best practice in line with its corporate values and long-term objectives.

New Constitution

The Shareholders of the Company were convened to a Special Meeting on 10th October 2003 and approved the adoption of a new Constitution in substitution for the Memorandum & Articles of Association.

Dividends

The Directors declared a dividend of Rs. 14.00 per share for the year to 31st December 2003 (Rs. 12.00 per share in 2002). On the basis of the Company's share price at 31st December 2003, the payment of this dividend represented a yield of 8.97%.

Acknowledgements to our key partners and employees

We are pleased to acknowledge once more the assistance we have received from our consulting actuaries at Deloitte, our main reinsurers, Swiss Re Life & Health and our legal advisers, Etude de Comarmond-Koenig.

Our management and staff 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. We also express our gratitude to our sales representatives.



M.J. Cyril Lagesse
Chairman



Jean De Fondaumière, C.A.

Long Term Insurance Individual Business

During the year under review our attention was focused on changes in the financial services sector prompted by new legislation and economic factors. The resulting impact on our line of business is not to be neglected. As a result of increased competition in the congested residential loan market and falling interest rates, companies operating in this sector of the finance industry are more customer focused.

We recognise that the stakes are continuously on the rise. The implementation of our strategic rethinking processes initiated in 2001 has resulted in the strengthening of our positioning in this competitive and changing environment. Our commitment to focusing much of our resources and effort on the needs and expectations of our customers, in customer service and relationship, in streamlining work processes, in reviewing the marketing and distribution of our product and services, has proved rewarding in our pursuit of excellence in service standards and improved value to our policyholders.

The Company has a proud record as a leader in the all-important area of policy values. Payments made in respect of claims on maturity, retirement and death have always been amongst the highest in the Industry. Ensuring that policyholders receive the best possible return on their investment is one of the key elements in our ongoing search for excellence.

Corporate Business

During 2003 we looked to build on our position as one of key players in the Mauritian pensions market, drawing on our multi-disciplined team which includes actuaries, accountants, lawyers, and pension, investment and insurance professionals.

We offer a full range of pension scheme designs, including defined benefit, defined contribution and hybrid arrangements. We look to develop tailor-made benefit solutions that fit our

clients' strategy, culture and budget. We can administer any type of scheme structure, including fully insured arrangements, Trust-based schemes or Superannuation Funds, depending on the level of day-to-day involvement our clients wish to have in the running of their schemes.

We offer an unbundled range of pension-related services to our clients. These include actuarial consulting, pensions administration, employee communications, investment consulting, advice on the employee benefits aspects of mergers and acquisitions, risk benefit consulting and advice on executive remuneration.

To enhance our portfolio of employee benefit products, we introduced a new group disability product during 2003. A group disability scheme provides an income to an employee who is unable to work because of a long-term illness or disability. The income continues to be paid until the employee recovers, dies or reaches retirement age.

A group disability scheme enables employers to offer their employees valuable protection should the unfortunate happen and they are no longer able to work. Recognising that different clients have different needs and objectives, we offer a flexible range of benefit options.

Economic Highlights*

The World Economy

In 2003 the world economy strengthened compared to the past three years. The global recovery was mainly driven by the United States and emerging Asia, particularly China, in spite of issues linked to the Severe Acute Respiratory Syndrome (SARS) and the geopolitical risks including terrorist attacks.

While the recovery was quite slow in the first semester 2003, in the second half of 2003 the global Gross Domestic Product (GDP) growth was the highest since 1999. In almost all regions of the world, global trade, investment, industrial production and business improved in 2003.

Global GDP growth was 3.9% in 2003 compared to 3.0% in 2002. The growth rate of the United States was 3.1% in 2003 compared to 2.2% in 2002 whilst the growth rate of the Euro area was 0.4% in 2003 compared to 0.9% in 2002. World trade volume growth was 4.5% in 2003 compared to 3.1% in 2002.

Global GDP growth and world trade volume growth are forecast at 4.6% and 6.8% respectively for 2004.

Positive growth rates are forecast for most advanced economies, emerging markets and developing countries for 2004. The United States and the Asian market, mainly driven by China and India will continue to sustain the world output. However, while even a slight growth is earmarked for Japan, the Euro zone is expected to remain quite stagnant.

The Mauritian Economy

The Mauritian economy grew by 4.4% in 2003 compared to 2.0% in 2002. Gross Domestic Product (GDP) at basic prices reached Rs. 137.2 billion in 2003.

This growth for 2003 is mainly attributable to a recovery in the sugar sector (3.1% compared to -19.3% in 2002), the financial sector (7.2% compared to 2.0% in 2002) and the construction

sector (10.1% compared to 7.6% in 2002). The Export Processing Zone (EPZ) sector, which was previously expected to grow positively, declined by 4.0% (after a decline of 6.0% in 2002). The tourism sector grew by 3.0% (3.2% in 2002) in line with the increase in tourist arrivals (702,018 compared to 681,648 in 2002). The insurance sector grew by 7.3% compared to 8.0% in 2002 with a contribution of Rs. 3.8 billion to the GDP. Commercial banks grew by 5.9% compared to 5.0% in 2002, while the offshore banks recorded a growth of 12.3% after a decline of 14.0% in 2002.

The growth rate is forecast at 5.3% for 2004. GDP at basic prices is estimated at Rs. 150.6 billion for 2004.

Positive growth rates are expected for the sugar sector (15.4% with a production of 620,000 tonnes), the tourism sector (5.4% with tourist arrivals at 740,000), the financial sector (7.4%) and the construction sector (4.7%).

However, the growth rate of the EPZ sector is still expected to be negative for the third consecutive year (-2.0%) taking into account the closures and downsizing processes in this sector, softened by the positive impact of the African Growth Opportunity Act (AGOA) II.

Total investment reached Rs. 35.6 billion in 2003, which represents an increase of 13.3% compared to 2002 (Rs. 31.4 billion), but in real terms it grew by 9.7%. An increase of 6.8% (3.2% in real terms) is forecast for total investment which is expected to reach Rs. 38.0 billion in 2004.

The investment rate has remained stagnant for the past three years from 22.6% in 2001 to 22.7% in 2003. It is expected to be 22.0% in 2004.

Gross National Saving (GNS) decreased in 2003 (26.0% compared to 27.3% in 2002) and is forecast to remain the same in 2004 (26.0%) at Rs. 45.4 billion.

GDP per capita is estimated at Rs. 139,760 for 2004 as compared to Rs. 128,288 in 2003, indicating an increase of 8.9%.

The inflation rate was 3.9% in 2003 as compared to 6.4% in 2002 and is forecast at 4.0% for financial year 2003-2004.

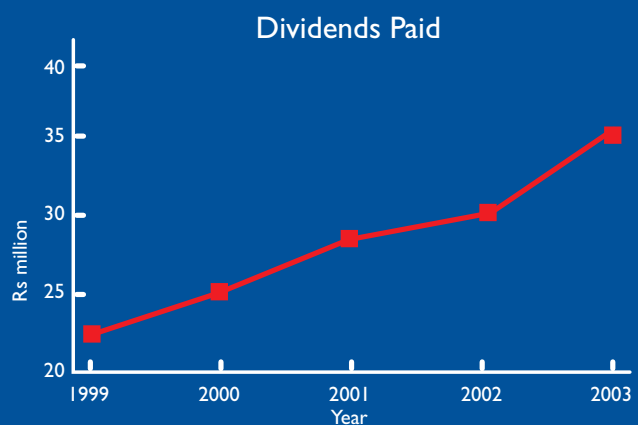
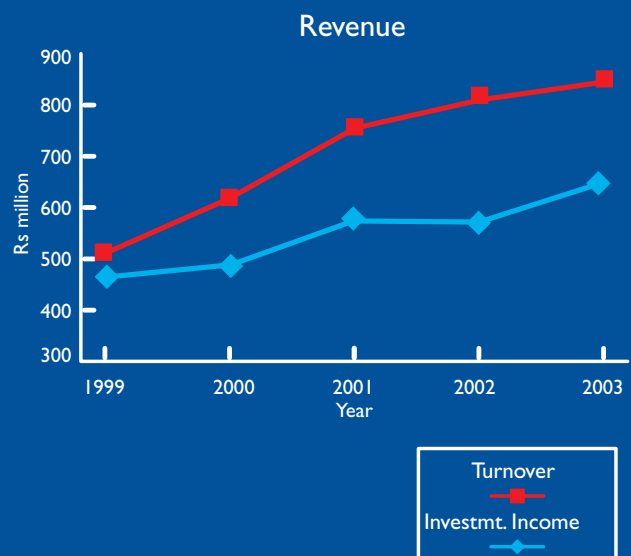
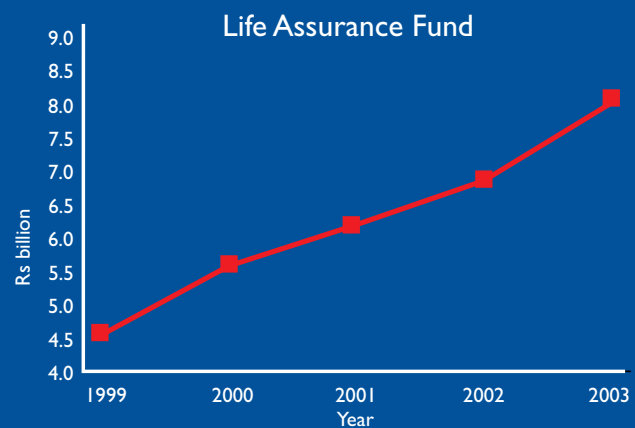
The population of the Republic of Mauritius was slightly more than 1.2 million in 2003, which indicates a 1.0% growth over 2002. Total labour force was 549,500 (358,900 males and 190,600 females) and total employment reached 495,100 in 2003.

Unemployment rate worked out at 10.2% (9.0% for males and 12.6% for females) in 2003 as compared to 9.7% in 2002. The number of unemployed in 2003 was 54,400 (31,700 males and 22,700 females).

Financial Highlights

The Life Assurance Fund at 31st December 2003 amounted to Rs. 8.1 billion (Rs. 6.9 billion in 2002) increasing by Rs 1.2 billion during the year (Rs. 676.8 million in 2002).

The Life Assurance Fund includes a fair value reserve of Rs. 576.8 million in 2003 (Rs. 162.2 million in 2002). The increase in fair value reserve of Rs. 414.6 million made during the year (Rs. 103.5 million in 2002) is due to the excellent unrealised performance of our equities portfolio on the stock exchange.



The premiums receivable net of re-assurances and annuity considerations amounted to Rs. 815.8 million in 2003 (Rs. 809.3 million in 2002), including Rs. 143.0 million for the linked business (Rs. 73.9 million in 2002).

The Company sustained during the year death and disablement claims of Rs. 31.0 million as compared to Rs. 25.0 million in 2002. Maturities paid amounted to Rs. 285.7 million as compared to Rs. 280.9 million last year.

During the year, surrenders decreased from Rs. 246.6 million to Rs. 149.8 million.

Gain on exchange of Rs. 0.8 million was made on the non-linked account in 2003 as compared to Rs. 26.1 million last year, and loss on exchange of Rs. 0.6 million was sustained on the linked account during the year as compared to gain on exchange of Rs. 1.5 million made in 2002.

Investments

2003 was a very good year for the SEMDEX, which increased by 37.6% in rupee terms. The performance was even better when translated into dollar terms with a return reaching 50.7%. In comparison, the Dow Jones, the main index of New York Stock Exchange increased by 25.3% and the Financial Times Index in London increased by 13.6%.

Also, during the year, interest rates in the United States were reduced to a historically low level of 1% while decreasing to 2% in Europe. In Mauritius the Lombard rate was cut four times in all by a total of 1.25%.

Our largest fund remains the With-Profit Fund, with assets of Rs 7.7 billion at market value as at 31st December 2003 compared to Rs 6.6 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. Despite the decrease in interest rates that weighted on the fixed income investments, this fund has realised a very satisfactory return in 2003, mainly due to an excellent return on its equity portfolio.

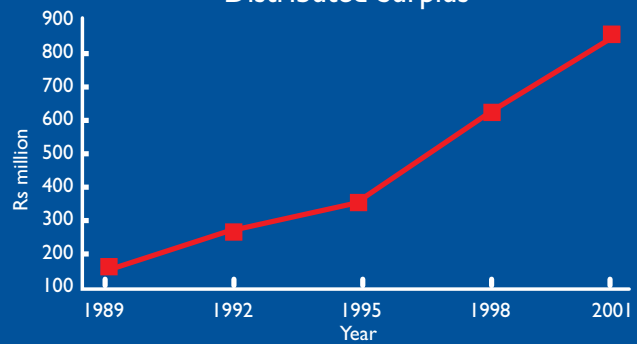
The Equity Fund (Life) was our best performing fund over 2003 with a return of 39.1%. This fund invests at least 90% of its assets in quoted shares of well-established companies, on the local and foreign markets. On the other hand, our most popular unitised funds, the General Fund (Life) and the Secure Fund (Pension), have achieved returns slightly lower than last year, both around 10%. These funds are mainly invested in Loans and Treasury Bills, the yields of which were affected by the decrease in interest rates.

Anti-Money Laundering Compliance

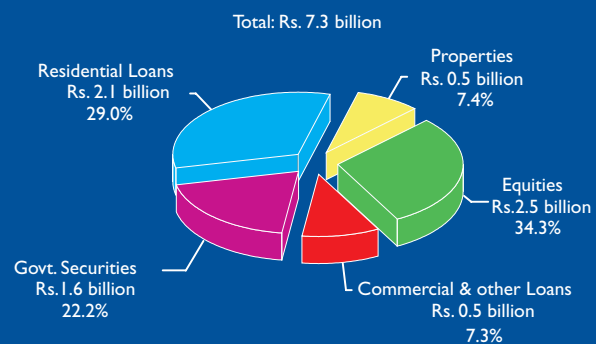
The issue of AML compliance has been addressed by the Company with diligence and in the most comprehensive and rigorous manner. In accordance with the provisions of the FIAML Regulations 2003, internal policies, programmes and controls together with customer due diligence procedures were put in place to fight money laundering.

An MLRO and a Deputy MLRO were designated and clear internal reporting procedures were established to facilitate the efficient

Distributed Surplus



Investment Structure (at Market Value)



reporting by employees of all suspicious transactions. In addition, an anti-money laundering compliance manual of procedures providing clear and accurate practical guide lines was prepared and handed over to each employee.

Intensive AML training has been carried out over a period of nearly two months to all employees and agents of the Company. Much emphasis was laid on the detection and reporting of suspicious transactions as well as on the documentary information to be obtained from clients regarding 'Know Your Client' (KYC) verification procedures. Awareness has also been heightened as to the need to remain alert to Money Laundering methods and tactics in view of the significant reputational and financial damage which may ensue.

Finally, a special AML steering committee has been set up to monitor and review programmes and procedures implemented and to promptly address any compliance problem which may crop up.

Human Resources

Michel Thomas, Senior Manager of Swan Insurance Company Limited (Swan Insurance), and Maxime Rey, Financial Controller of The Anglo-Mauritius Assurance Society Limited (The Anglo-Mauritius) were respectively appointed MLRO and Deputy MLRO of Swan Insurance and The Anglo-Mauritius on 17th October 2003.

The Management Team and the staff of The Anglo-Mauritius participated in Performance Management System Sessions which enabled the organisation to establish solid foundations for managing performance.

The Performance Management System offers many challenges and opportunities to managers and employees who are increasingly being asked to step outside of traditional narrowly-defined job descriptions in support of team objectives and goals.

Our employees are our main assets in the organisation and we have integrated employee development with a results-based assessment to be able to direct and motivate them to be productive and achieve results. At the same time, our employees have been given the opportunity to discuss development goals and jointly create a plan for achieving the organisational goals.

During the year, the staff and the sales representatives of The Anglo-Mauritius followed refresher courses on the Unit-Linked and Conventional Personal Pension Plans. Furthermore, the sales representatives were invited to follow a Sales Techniques Course. These courses were conducted by Carlo Poliah, Agency Manager of the Individual Business Marketing Department.

Communication

Indian Ocean Islands Games

The Swan Group, namely Swan Insurance and The Anglo-Mauritius, was the official sponsor of the Tennis for the 2003 Indian Ocean Islands Games which were held in August-September 2003 in Mauritius. The Mauritian tennis team performed very well and won 4 medals. As a corporate citizen, we were proud to participate in this regional sports event with the full support of our staff.

The Group has always been closely associated with sports namely athletics, football, swimming and more specially tennis.

The Anglo-Mauritius Open

In November 2003, The Anglo-Mauritius Open – Championnat de Tennis sur Terre Battue was launched in partnership with the Rose Hill Club under the aegis of the Mauritius Tennis Federation (MTF) in view of promoting tennis among the Mauritian youth. This first edition was a success and The Anglo-Mauritius Open will be held every year.

Teamwork, professionalism, competitiveness and human development are concepts in which we firmly believe in the 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.

Social Responsibility

We firmly believe that we need to participate actively in community projects in Mauritius. We have been involved for several years now in social responsibility based programmes whereby the goals are consistent with our core corporate values. We are currently working on initiatives whereby priority is given to the promotion of education, welfare, sports and arts in Mauritius. These initiatives are being conducted with the participation of the employees who are looking into the opportunity of giving their time and offering 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, our sales representatives and our shareholders, we will successfully grasp the challenging opportunities that are offered in this competitive global environment.



Jean de Fondaumière, C.A.
Group Chief Executive

**Source: World Economic Outlook, April 2004 – International Monetary Fund (IMF)
Central Statistical Office, Republic of Mauritius*

We have audited the financial statements of **The Anglo-Mauritius Assurance Society Limited and its Subsidiaries** set out on pages 16 to 41 which have been prepared on the basis of the accounting policies set out on pages 21 to 41.

This report is made solely to the Group's and 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 Group's and 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 Group's and the Company's 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, 2003 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 International Financial Reporting Standards.

De Chazal Du Mee & Co

DE CHAZAL DU MEE & CO
Chartered Accountants
Port-Louis,
Mauritius.
10th May 2004.

Balance Sheets

at December 31, 2003

	Notes	THE GROUP		THE COMPANY	
		2003 Rs'000	Restated 2002 Rs'000	2003 Rs'000	Restated 2002 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	151,414	161,579	119,668	129,695
Investment property	4	310,969	302,841	244,271	228,554
Investments in Subsidiary Companies	5	-	-	99,724	99,724
Investments in securities	6	3,396,816	2,819,299	3,396,816	2,819,299
Other financial investments	7	2,333,221	2,358,634	2,333,221	2,358,634
Non-current receivables	8	49,040	48,990	49,040	48,990
Statutory Deposit		8,000	10,000	8,000	10,000
		<u>6,249,460</u>	<u>5,701,343</u>	<u>6,250,740</u>	<u>5,694,896</u>
Current assets					
Trade and other receivables	9	118,322	71,920	118,035	70,767
Short term investments	10	1,992,089	1,392,743	1,992,089	1,392,743
Cash in hand and at bank		70,714	41,329	50,298	30,216
		<u>2,181,125</u>	<u>1,505,992</u>	<u>2,160,422</u>	<u>1,493,726</u>
Total assets		<u>8,430,585</u>	<u>7,207,335</u>	<u>8,411,162</u>	<u>7,188,622</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	11	25,000	25,000	25,000	25,000
Proprietors' Fund		39,558	68,334	39,558	68,334
		<u>64,558</u>	<u>93,334</u>	<u>64,558</u>	<u>93,334</u>
Minority interests	12	110	107	-	-
		<u>64,668</u>	<u>93,441</u>	<u>64,558</u>	<u>93,334</u>
Non-current liabilities					
Life Assurance Fund	13	8,117,046	6,949,516	8,099,305	6,929,253
Employee Benefits Obligation	14	75,092	63,637	75,092	63,637
Deferred tax liabilities	15	1,486	1,452	-	-
		<u>8,193,624</u>	<u>7,014,605</u>	<u>8,174,397</u>	<u>6,992,890</u>
Current liabilities					
Trade and other payables	16	155,849	86,583	160,207	90,398
Current tax liabilities	17	13,269	12,706	12,000	12,000
Bank overdraft	22(b)	3,175	-	-	-
		<u>172,293</u>	<u>99,289</u>	<u>172,207</u>	<u>102,398</u>
Total equity and liabilities		<u>8,430,585</u>	<u>7,207,335</u>	<u>8,411,162</u>	<u>7,188,622</u>

These financial statements have been approved for issue by the Board of Directors on 10th May 2004.

M.J. Cyril Lagesse
Chairman

Cyril Mayer
Director

The notes on pages 21 to 41 form an integral part of these financial statements.
Auditors' report on pages 14 and 15.

Year ended December 31, 2003

	Notes	THE GROUP		THE COMPANY	
		2003 Rs'000	Restated 2002 Rs'000	2003 Rs'000	Restated 2002 Rs'000
Premiums less Re-assurances	18	615,753	644,235	615,753	644,235
Consideration for annuities	18	57,039	91,144	57,039	91,144
Interests and dividends		563,513	513,393	571,448	516,767
Realised capital gains		15,829	50,927	13,534	49,147
Net Rent from properties		10,092	11,487	3,872	4,385
Fees receivable		20,703	19,655	20,135	19,655
Net gain on exchange		835	26,101	835	26,101
		<u>1,283,764</u>	<u>1,356,942</u>	<u>1,282,616</u>	<u>1,351,434</u>
Death and disablement claims		30,942	25,055	30,942	25,055
Maturity claims		283,856	277,672	283,856	277,672
Surrenders		59,041	241,401	59,041	241,401
Annuities		80,725	72,229	80,725	72,229
Commissions		31,133	26,728	31,133	26,728
Fees payable		10,267	11,556	10,267	11,556
Bad debts		2,114	-	2,114	-
Depreciation		20,286	19,675	20,225	19,614
Computer development expenses		2,542	2,421	2,542	2,421
Rent of offices		5	7	5	7
Management expenses	19	92,116	90,905	89,815	88,964
		<u>613,027</u>	<u>767,649</u>	<u>610,665</u>	<u>765,647</u>
		670,737	589,293	671,951	585,787
Income Tax	17	(3,434)	(3,530)	(2,130)	(2,765)
		<u>667,303</u>	<u>585,763</u>	<u>669,821</u>	<u>583,022</u>
Minority interest	12	(3)	(8)	-	-
		<u>667,300</u>	<u>585,755</u>	<u>669,821</u>	<u>583,022</u>
Transfer to Proprietors' Fund		-	(84,532)	-	(84,532)
Surplus for the year	13	<u>667,300</u>	<u>501,223</u>	<u>669,821</u>	<u>498,490</u>

The notes on pages 21 to 41 form an integral part of these financial statements.
Auditors' report on pages 14 and 15.

Life Assurance Fund - Linked Account

Year ended December 31, 2003

	Notes	THE COMPANY	
		2003 Rs'000	2002 Rs'000
Premiums	18	142,993	73,876
Interests and dividends		45,848	38,822
Realised capital appreciation/(losses)		7,605	(17,013)
Net exchange (loss)/gain		(552)	1,523
		<u>195,894</u>	<u>97,208</u>
Death and disablement claims		8	-
Maturity claims		1,892	3,188
Surrenders		90,778	5,174
Annuities		10,976	11,156
Fees payable		6,593	5,654
		<u>110,247</u>	<u>25,172</u>
Surplus for the year	13	<u>85,647</u>	<u>72,036</u>

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

The notes on pages 21 to 41 form an integral part of these financial statements.
Auditors' report on pages 14 and 15.

Statement of Changes in Equity

Year ended December 31, 2003

THE GROUP AND THE COMPANY	Notes	Share Capital Rs'000	Proprietors' Fund Rs'000	Total Rs'000
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	20	-	(30,000)	(30,000)
Balance at December 31, 2002		25,000	68,334	93,334
Balance at January 1, 2003		25,000	68,334	93,334
Interest allocated		-	6,224	6,224
Dividends paid	20	-	(35,000)	(35,000)
Balance at December 31, 2003		25,000	39,558	64,558

The notes on pages 21 to 41 form an integral part of these financial statements.
Auditors' report on pages 14 and 15.

Cash Flow Statement

Year ended December 31, 2003

	Notes	THE GROUP		THE COMPANY	
		2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
Operating activities					
Cash generated from operations	22(a)	104,095	102,322	105,169	105,939
Investment income received		633,242	488,128	634,709	488,061
Interest paid		(16,953)	(3,583)	(16,953)	(3,270)
Tax paid		(3,461)	(3,012)	(2,130)	(2,765)
Net cash generated from operating activities		<u>716,923</u>	<u>583,855</u>	<u>720,795</u>	<u>587,965</u>
Investing activities					
Purchase of property, plant and equipment		(6,352)	(14,648)	(6,352)	(14,132)
Purchase of investment property		(19,943)	(5,603)	(19,943)	(5,603)
Purchase of investments in securities		(1,402,830)	(1,094,337)	(1,402,830)	(1,094,337)
Loans made		(740,273)	(357,583)	(740,273)	(357,583)
Maturities/disposal of investment in securities		878,374	712,093	878,374	712,093
Disposal of property, plant and equipment		935	8,448	935	1,095
Loans granted to shareholders		(50)	-	(50)	-
Disposal of investment property		10,000	513	-	513
Loans received		718,779	206,436	718,779	206,436
Net cash used in investing activities		<u>(561,360)</u>	<u>(544,681)</u>	<u>(571,360)</u>	<u>(551,518)</u>
Financing activity					
Dividends paid		(35,000)	(30,000)	(35,000)	(30,000)
Net cash used in financing activity		<u>(35,000)</u>	<u>(30,000)</u>	<u>(35,000)</u>	<u>(30,000)</u>
Increase in cash and cash equivalents		<u>120,563</u>	<u>9,174</u>	<u>114,435</u>	<u>6,447</u>
Movement in cash and cash equivalents					
At January 1,		753,805	717,007	742,692	708,621
Increase		120,846	36,798	114,718	34,071
Effects of exchange rate changes		(283)	(27,624)	(283)	(27,624)
At December 31,	22(b)	<u>874,368</u>	<u>726,181</u>	<u>857,127</u>	<u>715,068</u>

The notes on pages 21 to 41 form an integral part of these financial statements.
Auditors' report on pages 14 and 15.

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 comply with the International Financial Reporting Standards and are prepared under the historical cost convention, except that:

- (i) available-for-sale securities are stated at their fair value;
- (ii) held-to-maturity debt securities are carried at amortised cost; and
- (iii) buildings are carried at revalued amounts.

(b) Investment in Subsidiaries

Separate financial statements of the investor

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 amortised immediately. All significant intercompany transactions, balances and unrealised gains on transactions are eliminated.

(c) Foreign Currencies

Transactions in currencies other than Mauritian rupees are initially recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Gains or losses arising on exchange are included in the Life Assurance Fund Account for the period.

(d) Investment Property

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.

(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 in 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

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

The Group's and the Company'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.

(g) Financial Instruments (continued)

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 Account, 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.

(j) Impairment

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(k) 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 shareholders' right to receive payment is established.

(I) Other Financial Investments

These comprise of loans secured by mortgages and the Group has the expressed intention and ability to hold to maturity. Loans are measured at amortised cost less any impairment loss recognised to reflect irrecoverable amounts.

2. FINANCIAL RISK FACTORS

The Group's activities are exposed to a variety of financial risks, including:

- Foreign exchange risk;
- Credit risk;
- Interest rate risk;
- Changes in fair value of securities; and
- Reinsurers' default.

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 Group is exposed to interest rate fluctuations on the international and domestic markets with respect to interest income. The Group earns interest income on its surplus cash. Management closely monitors interest rate trends and their impact on interest income.

Changes in fair value of securities

The Group's net assets consist substantially of investment in securities both locally and internationally.

The fair value of the securities is determined by market forces and the Group is exposed to changes in the fair value.

Reinsurers' default

The company is exposed to the possibility of default by its reinsurers. Management closely monitors the financial strength of its reinsurers and have policies in place to ensure that risks are ceded to top-rated and credit-worthy reinsurers only.

3. 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, 2003						
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>
Additions	751	1,106	1,373	-	3,122	6,352
Disposals	-	-	(203)	-	(3,766)	(3,969)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At December 31, 2003						
Cost	103,237	69,890	23,220	2,235	28,986	227,568
Valuation	27,664	-	-	-	-	27,664
	<u>130,901</u>	<u>69,890</u>	<u>23,220</u>	<u>2,235</u>	<u>28,986</u>	<u>255,232</u>
Depreciation						
At January 1, 2003	1,974	55,344	15,665	1,835	16,452	91,270
Charge for the year	2,064	6,968	2,081	50	4,974	16,137
Disposal adjustments	-	-	(139)	-	(3,450)	(3,589)
At December 31, 2003	<u>4,038</u>	<u>62,312</u>	<u>17,607</u>	<u>1,885</u>	<u>17,976</u>	<u>103,818</u>
Net Book Values						
At December 31, 2003	<u>126,863</u>	<u>7,578</u>	<u>5,613</u>	<u>350</u>	<u>11,010</u>	<u>151,414</u>
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>

3. 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, 2003	98,708	68,560	22,050	29,630	218,948
Additions	751	1,106	1,373	3,122	6,352
Disposals	-	-	(203)	(3,766)	(3,969)
At December 31, 2003	99,459	69,666	23,220	28,986	221,331
Depreciation					
At January 1, 2003	1,974	55,162	15,665	16,452	89,253
Charge for the year	1,989	6,956	2,080	4,974	15,999
Disposal adjustments	-	-	(139)	(3,450)	(3,589)
At December 31, 2003	3,963	62,118	17,606	17,976	101,663
Net Book Values					
At December 31, 2003	95,496	7,548	5,614	11,010	119,668
At December 31, 2002	96,734	13,398	6,385	13,178	129,695

4. INVESTMENTS PROPERTY - LAND AND BUILDING

	THE GROUP	THE COMPANY
	Total Rs'000	Total Rs'000
Cost		
At January 1, 2003	307,958	232,493
Additions	19,943	19,943
Disposal of land	(7,205)	-
At December 31, 2003	320,696	252,436
Depreciation		
At January 1, 2003	5,117	3,939
Charge for the year	4,610	4,226
At December 31, 2003	9,727	8,165
Net Book Values		
At December 31, 2003	310,969	244,271
At December 31, 2002	302,841	228,554

The fair value of investment property is estimated as follows:

	THE GROUP	THE COMPANY
	Total Rs'000	Total Rs'000
At December 31, 2003	731,200	536,468
At December 31, 2002	604,287	530,000

The investment property has been valued at December 31 at fair value by Espral Limited - Land development and promotion, on an open market basis.

Rental income from investment properties amount to **Rs 22.335 million** (2002: Rs.23.711 million) for the Group and **Rs 16.875 million** (2002: Rs.16.609 million) for the Company. Direct operating expenses arising on the investment properties during the year amount to **Rs 13.601 million** (2002: Rs.12.224 million) for the Group and **Rs.13.003 million** (2002: Rs.12.224 million) for the Company.

5. INVESTMENTS IN SUBSIDIARY COMPANIES - COST

	THE COMPANY	
	2003 Rs'000	2002 Rs'000
At January 1 and December 31,	99,724	99,724

5. 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	
				2003	2002
Investment & Administrative Co. (Mauritius) Limited	Republic of 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 *	Republic of 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.

6. INVESTMENTS IN SECURITIES

	THE GROUP AND THE COMPANY			
	2003			Restated 2002
	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	1,422,061	1,394,672	2,816,733	2,318,130
- reclassification of accrued interests	115,014	-	115,014	-
- as restated	1,537,075	1,394,672	2,931,747	2,318,130
Additions	813,421	279,180	1,092,601	913,853
Disposals	(442,765)	(88,057)	(530,822)	(556,109)
Accrued interest for the year	75,310	-	75,310	115,014
	1,983,041	1,585,795	3,568,836	2,790,888
Increase in fair value	-	372,805	372,805	140,859
At December 31,	1,983,041	1,958,600	3,941,641	2,931,747

6. INVESTMENTS IN SECURITIES - (continued)

	THE GROUP AND THE COMPANY			
	2003		2002	
	Held to maturity Rs'000	Available for sale Rs'000	Total Rs'000	Total Rs'000
(b) Foreign Securities				
At January 1,	-	342,207	342,207	322,930
Additions	-	310,229	310,229	180,484
Net increase/(decrease) in fair value	-	41,778	41,778	(37,357)
Disposals	-	(283,977)	(283,977)	(123,850)
At December 31,	-	410,237	410,237	342,207
Total securities	1,983,041	2,368,837	4,351,878	3,273,954

Analysed as follows:

	2003 Rs'000	2002 Rs'000
Non-current	3,396,816	2,819,299
Current (see note 10)	955,062	454,655
	4,351,878	3,273,954

- (c) Held-to-maturity investments comprise of Mauritius Government Securities, listed and unquoted debenture stocks and treasury bills with interest rates varying from 8.5% to 13%. The Company intends and is able to hold the investments until maturity date. Held-to-maturity investments are stated at amortised costs.
- (d) 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.

6. INVESTMENTS IN SECURITIES - (continued)

(e) 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	
		2003 %	2002 %
Autolac Investments Limited	Ordinary	10.4	10.4
Cathedral Development Limited	Ordinary	20.0	20.0
Ireland Blyth Limited	Ordinary	13.1	13.5
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	10.2	10.2
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	16.9
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	20.1
Tropical Paradise Co. Limited	Ordinary	11.7	6.0
Pristine Resorts Limited	Ordinary	13.8	-
Société			
Société Le Plessis	Share of interest	20.6	20.6
Société Vichy	Share of interest	25.7	-

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.

7. OTHER FINANCIAL INVESTMENTS

	THE GROUP AND THE COMPANY	
	2003 Rs'000	Restated 2002 Rs'000
Loans receivables		
Loans on policies	79,500	72,913
Loans on residential properties	2,111,157	2,055,540
Loans on business properties	273,995	357,695
Cummulative accrued interest	98,484	98,098
	2,563,136	2,584,246
Analysed as follows:-		
Non-current	2,333,221	2,358,634
Current (see note 10)	229,915	225,612
	2,563,136	2,584,246

(a) Loan receivables comprise of loans on policies, residential properties and business properties secured by mortgages. The rate of interest vary from 7% to 15% less any impairment loss recognised to reflect irrecoverable amounts.

8. NON-CURRENT RECEIVABLES

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Loan to related corporations	49,040	48,990

9. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2003 Rs'000	Restated 2002 Rs'000	2003 Rs'000	Restated 2002 Rs'000
Premium receivable:				
- Individuals	13,559	12,349	13,559	12,349
- Schemes	23,931	16,109	23,931	16,109
Other receivables and accrued interests	73,093	36,290	68,899	31,180
Receivables from Group Companies:				
- Holding Company	7,739	7,172	7,739	7,172
- Subsidiary Companies	-	-	3,907	3,957
	118,322	71,920	118,035	70,767

10. SHORT TERM INVESTMENTS

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Investment in securities (see note 6(b))	955,062	454,655
Short term deposits (see note below)	807,112	712,476
Other financial investments (see note 7)	229,915	225,612
	1,992,089	1,392,743

Short term deposits comprise of foreign deposits, money at call and savings account. The rate of interest vary between 1% to 12%.

11. SHARE CAPITAL

	THE GROUP AND THE COMPANY			
	Authorised		Issued and fully paid	
	2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
Ordinary shares of Rs 10.- each	25,000	25,000	25,000	25,000

12. MINORITY INTERESTS

	THE GROUP	
	2003 Rs'000	2002 Rs'000
At January 1,	107	99
Share of net profit	3	8
At December 31,	110	107

13. LIFE ASSURANCE FUND

THE GROUP	2003				2002	
	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	6,208,020	559,058	20,263	162,175	6,949,516
Surplus on Life Assurance Fund for the year	669,821	85,647	-	-	755,468	570,526
(Loss)/profit from subsidiaries	-	-	(2,522)	-	(2,522)	2,733
Release of fair value reserve	-	-	-	(10,421)	(10,421)	(38,637)
Remeasurement of available for sale securities	-	-	-	425,005	425,005	142,139
At December 31,	6,877,841	644,705	17,741	576,759	8,117,046	6,949,516

THE COMPANY	2003			2002	
	Non Linked Rs'000	Linked Rs'000	Fair value reserve Rs'000	Total Rs'000	Total Rs'000
	At January 1, Surplus on Life Assurance Fund	6,208,020	559,058	162,175	6,929,253
for the year	669,821	85,647	-	755,468	570,526
Release of fair value reserve	-	-	(10,421)	(10,421)	(38,637)
Remeasurement of available for sale securities	-	-	425,005	425,005	142,139
At December 31,	6,877,841	644,705	576,759	8,099,305	6,929,253

14. EMPLOYEE BENEFITS OBLIGATION

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 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	84,536	73,233
Unrecognised actuarial loss	(9,444)	(9,596)
At December 31,	75,092	63,637

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.

	2003 Rs'000	2002 Rs'000
The amounts recognised in the Life Assurance Fund Account are as follows:		
Current service cost	3,980	3,354
Interest cost	7,323	5,962
Actuarial loss	152	-
Total included in management expenses (note 18)	11,455	9,316
Payment/expenses relating to obligation	-	(5,250)
Total included in Life Assurance Fund	11,455	4,066

	2003 Rs'000	2002 Rs'000
Movement in the liability recognised in the Balance Sheet		
At January 1,	63,637	59,571
Total expenses as above	11,455	4,066
At December 31,	75,092	63,637

15. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 15%-25% (2002: 15% - 25%). The movement on the deferred income tax account is as follows:

	THE GROUP	
	2003 Rs'000	2002 Rs'000
At January 1,	1,452	1,394
Charge for the year	34	58
At December 31,	1,486	1,452

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

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
Trade payables	7,202	6,138	7,202	6,138
Other payables and accruals	125,679	69,868	125,037	68,683
Outstanding claims	22,467	7,214	22,467	7,214
Amounts due to Group Companies				
- Holding Company	501	3,363	501	3,363
- Subsidiary Companies	-	-	5,000	5,000
	155,849	86,583	160,207	90,398

17. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
Current tax on the adjusted profit for the year at 15%-25% (2002: 15%-25%)	13,269	12,706	12,000	12,000
Overprovision in previous year	(9,869)	(9,234)	(9,870)	(9,235)
Movement in deferred tax	34	58	-	-
Charge for the year	3,434	3,530	2,130	2,765

18. TURNOVER

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

	THE COMPANY	
	2003 Rs'000	2002 Rs'000
Life Assurance Fund - Non Linked Account	672,792	735,379
Life Assurance Fund - Linked Account	142,993	73,876
	815,785	809,255

19. SURPLUS ON LIFE ASSURANCE FUND - NON LINKED ACCOUNT

	THE GROUP		THE COMPANY	
	2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
The surplus on Life Assurance Fund - Non Linked Account is arrived at after:				
Crediting :				
Net rent from properties	10,092	11,487	3,872	4,385
Fees receivable	22,109	19,655	20,135	19,655
Profit on disposal of property, plant and equipment	555	743	555	743
Profit on disposal of investment property	2,795	-	-	-
and charging :				
Depreciation	20,286	19,675	20,225	19,614
Provision for doubtful loans on residential properties	2,000	-	2,000	-
Management expenses include:				
- Staff costs (see note (a) below)	66,889	62,636	66,889	62,636

- (a) During the year, the Non-Executive Directors of The Anglo Mauritius Assurance Society Limited have also received Rs.456,000 as emoluments from other related corporations (2002 - Rs.346,000).

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
The number of employees at the end of the year was :		
- Operation	160	163
- Administration	9	8
	169	171

20. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Dividends paid Rs.14 per ordinary share (2002 - Rs.12 per ordinary share)	35,000	30,000

21. EARNINGS PER SHARE

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Earnings attributable to ordinary shareholders is based on:		
- Amount transferred from Life Assurance Fund Account	28,177	28,177
- Interest allocated	6,224	8,526
	34,401	36,703
Number of ordinary shares in issue	2,500,000	2,500,000
Earnings per ordinary share	Rs. 13.76	14.68

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 at December 31, 2001.

22. NOTES TO THE CASH FLOW STATEMENT

	THE GROUP		THE COMPANY	
	2003 Rs'000	Restated 2002 Rs'000	2003 Rs'000	Restated 2002 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	757,008	661,329	757,598	657,823
Adjustments for:				
Depreciation on property, plant & equipment	16,137	15,875	15,999	15,675
Depreciation on investment property	4,610	3,171	4,226	3,939
Profit on sale of property, plant and equipment	(555)	(1,687)	(555)	(743)
Interest allocated to Proprietors' Fund	6,224	8,526	6,224	8,526
Investment income	(633,242)	(555,656)	(634,709)	(555,589)
Net gain on exchange	(283)	(27,624)	(283)	(27,624)
Gain on sale of securities	(20,584)	(32,134)	(20,584)	(32,134)
Movement in statutory deposits	2,000	-	2,000	-
Interest expense	16,953	3,583	16,953	3,270
Profit on sale of investment property	(2,795)	-	-	-
Movement in accrued interests	(75,310)	(78,783)	(75,310)	(78,783)
Changes in working capital (excluding the effects of acquisition and disposal):				
Trade and other receivables	(46,789)	85,781	(47,655)	86,813
Trade and other payables	69,266	15,875	69,810	20,700
Employee benefits obligation	11,455	4,066	11,455	4,066
Cash generated from operations	104,095	102,322	105,169	105,939

	THE GROUP		THE COMPANY	
	2003 Rs'000	2002 Rs'000	2003 Rs'000	2002 Rs'000
(b) Cash and cash equivalents				
Cash at bank and in hand	70,714	38,754	50,298	30,216
Short term deposits	807,112	715,051	807,112	712,476
Bank overdraft	(3,175)	-	-	-
	874,651	753,805	857,410	742,692
Less exchange gain	(283)	(27,624)	(283)	(27,624)
	874,368	726,181	857,127	715,068

23. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Outstanding commitments approved by the Board of Directors for the following investments:-		
Loans	127,100	174,300
Investments in freehold properties	2,600	17,400
Investments in equities and securities	63,600	18,000
	193,300	209,700

24. ULTIMATE HOLDING COMPANY

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

25. 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
- M. J. Cyril Lagesse	1,250	0.05
	1,973	0.079

26. RELATED PARTY TRANSACTIONS - GROUP

	Sales of services Rs'000	Equities Rs'000	Loans/ Debentures Rs'000	Premiums due Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2003						
Holding company	-	-	-	-	7,739	501
Corporate shareholders with significant influence	3,950	719	86,000	422	-	-
Enterprises that have a number of Directors in common	1,155	112	538	3,016	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	1,167	61,589	49,040	-	-	-
	<u>6,272</u>	<u>62,420</u>	<u>135,578</u>	<u>3,438</u>	<u>7,739</u>	<u>501</u>
2002						
Holding company	-	-	-	-	7,172	3,363
Corporate shareholders with significant influence	4,471	719	70,150	149	-	-
Enterprises that have a number of Directors in common	4,329	2,425	1,100	1,021	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	1,034	59,312	48,990	36	-	-
	<u>9,834</u>	<u>62,456</u>	<u>120,240</u>	<u>1,206</u>	<u>7,172</u>	<u>3,363</u>

The above transactions have been made at arm's length, on normal commercial terms and in the normal course of business.

27. FIVE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY				
	2003 Rs'000	2002 Rs'000	2001 Rs'000	2003 Rs'000	2002 Rs'000	2001 Rs'000	2000 Rs'000	1999 Rs'000
Issued and paid up Share Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	20,000
Proprietors' Fund	39,558	68,334	5,276	39,558	68,334	5,276	28,608	52,066
Life Assurance Fund	8,117,046	6,949,516	6,272,755*	8,009,305	6,929,253	6,255,225*	5,616,275*	4,641,195
Dividends	35,000	30,000	27,500	35,000	30,000	27,500	25,000	22,000
Earnings attributable to Shareholders	<u>34,401</u>	<u>36,703</u>	<u>24,693</u>	<u>34,401</u>	<u>36,703</u>	<u>24,693</u>	<u>27,066</u>	<u>28,328</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.

Year ended December 31, 2003

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

10th May 2004.

Other Statutory Disclosures

Year ended December 31, 2003

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS

The names of the Directors of the Company are given on page 6. In addition, a list of Directors of Subsidiary Companies is found in 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 AND BENEFITS

	2003 Rs'000	2002 Rs'000
Emoluments paid by the company and its related corporations to:		
Directors of The Anglo Mauritius Assurance Society Limited		
- Executive	-	-
- Non-executive	516	316
	516	316
Directors of Subsidiary Companies		
- Executive (Nil in 2003 and 2002)	-	-
- 4 Non-executive (4 in 2002)	21	21
	21	21

DONATIONS

	THE GROUP AND THE COMPANY	
	2003 Rs'000	2002 Rs'000
Donations made during the year	183	211

AUDITORS' FEES

	2003		2002	
	Audit Rs'000	Other Rs'000	Audit Rs'000	Other Rs'000
The fees paid to Auditors for audit and other services were:				
De Chazal Du Mée & Co				
The Anglo-Mauritius Assurance Society Limited	555	349	529	138
Swan Properties Limited	18	15	18	-
Verdun Industrial Building Company Limited	10	7	10	-
	583	371	557	138
Other Auditors				
Société de la Montagne	12	-	13	7
Société de la Croix	15	-	11	-
Société de la Rivière	7	-	7	-
Manufacturers' Distributing Station Limited	7	7	5	5
Standard Property Company Limited	19	-	19	-
	60	7	55	12

APPENDIX I

Ilot Fortier Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.

Investment & Administrative Co. (Mtius) Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.

Standard Property Co. Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.
Mr. Gérald LINCOLN

Swan Properties Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.
Mr. Gérald LINCOLN

Themis Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.

Verdun Industrial Building Co. Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.
Mr. Gérald LINCOLN

Manufacturers' Distributing Station Limited.

Mr. M. J. Cyril LAGESSE - Chairman
Mr. Cyril MAYER, B. Com., C.A. (S.A.)
Mr. Jean de FONDAUMIÈRE, C.A.
Mr. Gérald LINCOLN

Auditors:

De Chazal Du Mée & Co.

Bankers:

Bank of Baroda
Barclays Bank PLC
First City Bank
Habib Bank Ltd.
South East Asian 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:

Deloitte & Touche LLP

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 25th June 2004 at 10.30 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 27th June 2003.			
2. To receive the Chairman's Statement and Directors' Report .			
3. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2003.			
4. To re-appoint 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.			
5. To re-elect Mr M.J. Cyril Lagesse as Director of the Company to hold office until the next Annual Meeting in accordance with Section 138 (6) of the Companies Act 2001.			

Dated this day of 2004.

(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.