The Anglo-Mauritius Assurance Society Limited

Annual Report 2006

Anglo-Mauritius

Swan Group

The Anglo-Mauritius Assurance Society Limited

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Port Louis
Mauritius
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Fax: +230 208 89 56
E-mail: anglo@intnet.mu
Web Site: www.groupswan.com

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Index

Swan Group 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*

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. 14.6 billion and the Life Assurance Fund reached Rs. 14.4 billion at 31 st December 2006.

The Company manages both locally and internationally an investment portfolio which consists of equities at market value of Rs. 6.3 billion and debenture stocks at market value of Rs. 26.0 million at 31st December 2006.

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. 203 million at 31st December 2006.

Benefits paid to policyholders, beneficiaries and annuitants amounted to Rs. 755.7 million at 31st December 2006.

Market capitalisation of the Company on the Mauritian Stock Exchange at 31st December 2006 was Rs. 525.0 million.

Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of the shareholders of **The Anglo-Mauritius Assurance Society Ltd**. will be held on **Friday 22nd June 2007 at 10.15 hours** on the 6th floor of the Swan Group Centre, Intendance Street, Port-Louis to transact the following business:

1. To consider the Annual Report 2006 of the Company.

2. To receive the report of BDO De Chazal du Mée, the Auditors of the Company.

3. To consider and approve the Audited Financial Statements of the Company and the Group for the year ended 31st December 2006.

4. To re-appoint BDO De Chazal du Mée as Auditors of the Company 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.

6. To re-elect Me. M.F.I. Hugues Maigrot 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
For SWAN GROUP CORPORATE SERVICES LIMITED
SECRETARY

02 May 2007

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.

Annual Report – Year ended December 31, 2006

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of The Anglo-Mauritius Assurance Society Limited and the Group for the year ended December 31, 2006, contents of which are listed below:

CONTENTS **PAGES**

This report was approved by the Board of Directors on 27th March 2007.

M.E. Cyril Mayer
Chairperson

M. J. Cyril Lagesse
Director

Principal Activities – Year ended December 31, 2006

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of life assurance, pensions, actuarial and investment. 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 buildings
Standard Property Co. Ltd.	Rental of property
Manufacturers' Distributing Station Ltd.	Investment Company
Ilot Fortier Ltd.	Purchase, development and sale of land (Dormant)
Investment and Administrative Co. (Mtius) Ltd.	Investment Company (Dormant)
Themis Ltd.	Purchase, development and sale of land (Dormant)
Pension Consultants and Administrators Ltd.	Pension and fund administration
The Anglo-Mauritius Financial Services Ltd.	Fund management and investment consulting
Swan Group Corporate Services Ltd.	Provide secretarial services to Swan Group
Société de la Croix	Investment entity
Société de la Montagne	Investment entity
Société de la Rivière	Investment entity

Directorate & Management – for the financial year 2006

DIRECTORS

Non-Executive

M.E.Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
M. J. Cyril LAGESSE
P. Arnaud DALAIS, Diplôme Universitaire en Gestion des Entreprises
Pierre DOGER DE SPÉVILLE
George John DUMBELL, A.C.I.B. (U.K.)
M.M. Hector ESPITALIER-NOËL, A.C.A.
Henri HAREL, A.C.I.S.
Thierry LAGESSE, M.B.A. (France)
M.F.I. Jean Hugues MAIGROT

Independent Non-Executive

Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)
Peroomal Gopallen MOOROOGEN, F.C.C.A., M.B.A. (Wales)
Victor SEEYAVE, M.B.A. (U.S.A.), B.A. Economics (U.K.)

Executive

Jean de FONDAUMIÈRE, C.A. (Scotland) - Group Chief Executive (up to 31.12.2006)
Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) - Group Chief Operations Officer (up to 31.12.2006)

Director & Group Chief Executive (as from 01.01.2007)
Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)

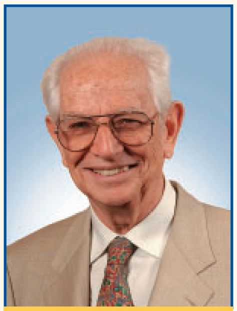
Secretary

Swan Group Corporate Services Limited
(per Jean Paul CHASTEAU DE BALYON)

Consultant to the Group Chief Executive

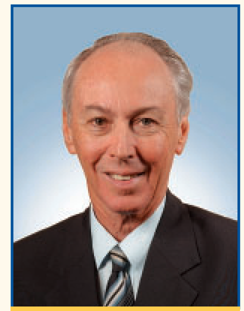
Gerald LINCOLN


M.E. Cyril MAYER


M. J. Cyril LAGESSE


P. Arnaud DALAIS


Jean DE FONDAUMIÈRE
up to 31.12.06

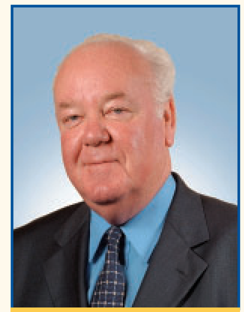

Me. Pierre DOGER DE SPÉVILLE

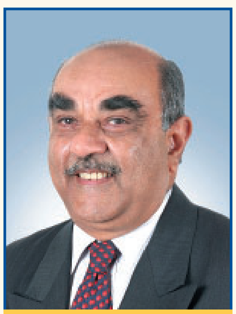

George J. DUMBELL


M.M. Hector ESPITALIER-NOËL


Henri HAREL


Thierry LAGESSE


Me. M.F.I. Jean Hugues MAIGROT


Sulliman Adam MOOLLAN


P. Gopallen MOOROOGEN


Louis RIVALLAND


Victor SEEYAVE

M. E. Cyril MAYER, B.Com, C.A. (S.A.)

Managing Director of Harel Frères Limited.

Positions presently held on sugar sector institutions:
Member of the Selling and Executive Committee of the Mauritius Sugar Syndicate
Member of the Executive Committee of the Mauritius Sugar Producers' Association

Has also served on the Joint Economic Council, the Mauritius Chamber of Agriculture, the Mauritius Sugar Industry Research Institute and the Mauritius Employers' Federation.

Positions presently held on public sector institutions:
Board Member of the Mauritius Sugar Authority
Member of the National Committee on Corporate Governance

Directorships of listed Companies:

- Mon Trésor and Mon Désert Ltd. (Non-executive Chairperson)
- Swan Insurance Company Limited (Non-executive Chairperson)
- United Docks Limited

Directorate & Management (continued) – for the financial year 2006

M. J. Cyril LAGESSE

Well known entrepreneur, Mr. Cyril Lagesse, took over his father's business in 1969 (Mon Loisir S.E.) and set up the "Compagnie d'Investissement et de Développement Ltée" ("C.I.D.L.") in the early 1970's.

Directorships of listed Companies:

- Ireland Blyth Limited
- Mauritius Stationery Manufacturers Limited
- Naïade Resorts Limited
- Phoenix Beverages Limited
- Sun Resorts Limited
- Swan Insurance Company Limited
- United Basalt Products Limited

Non-executive Chairperson of Group Mon Loisir, he represents GML on the Board of Directors of several most prestigious companies of the country, many of which are listed on the Stock Exchange of Mauritius.

He is a former Chairperson of The Mauritius Commercial Bank Ltd.

P. Arnaud DALAIS, Diplôme Universitaire en Gestion des Entreprises

Group Chief Executive of CIEL Group.

Directorships of listed Companies:

- Ireland Blyth Limited
- Sun Resorts Limited
- Swan Insurance Company Limited
- Promotion and Development Limited
- Caudan Development Limited

Former Chairperson of the following private sector organisations:

- The Mauritius Chamber of Agriculture
- The Mauritius Sugar Syndicate
- Joint Economic Council

Me. Pierre DOGER DE SPÉVILLE

Notary Public from August 1965 to June 1997.
Chairperson of the Médine Group of Companies

Directorships of listed Companies:

- Innodis Limited
- Swan Insurance Company Limited

George John DUMBELL, A.C.I.B. (U.K.)

Chairperson, Constance Group of Companies.

Worked 34 years for the HSBC Group at senior management level in nine countries across Asia, Americas, Middle East and Europe.

Former Director of various Banking and Financial Institutions across Asia and Europe.

Directorships of listed Companies:

- Belle Mare Holding Limited
- Swan Insurance Company Limited

M.M. Hector ESPITALIER-NOËL, A.C.A.

Chief Executive of the Espitalier Noël Group.

Directorships of listed Companies:

- Caudan Development Limited
- Compagnie des Magasins Populaires Limitée
- General Investment & Development Co. Limited
- Liberty Investment Trust
- Mon Désert Alma Limited
- Mon Trésor Mon Désert Limited
- New Mauritius Hotels Limited (Non-executive Chairperson)
- Plastic Industry Limited
- Promotion and Development Co. Limited
- Rogers & Co. Limited
- The Savannah S.E. Co. Limited
- Swan Insurance Company Limited

Former Chairperson of the following sugar sector institutions:

- The Mauritius Chamber of Agriculture
- The Mauritius Sugar Producers' Association
- The Mauritius Sugar Syndicate.

Henri HAREL, A.C.I.S.

Group Chief Finance Officer of Harel Frères Ltd.

Directorships of listed Companies:

- Harel Frères Limited
- Swan Insurance Company Limited

Directorate & Management (continued) – for the financial year 2006

Thierry LAGESSE, M.B.A. (France)

Promoter and Executive Chairperson of Palmar Group of Companies, Companhia de Sena, Parabole Réunion S.A.

Directorships of listed Companies:

- IPRO Growth Fund Limited
- Ireland Blyth Limited (Non-executive Chairperson)
- Phoenix Beverages Limited
- Sun Resorts Limited
- Swan Insurance Company Limited
- The Mauritius Stationery Manufacturers Limited
- The United Basalt Products Limited

Member of the Mauritius Chamber of Agriculture
Former Chairperson of the Mauritius Export Processing Zone Association (MEPZA)

Me. M.F.I. Jean Hugues MAIGROT

Notary Public since 1971

Legal adviser to a number of listed and large private companies.

Directorships of listed Companies:

- Harel Frères Limited (Non executive Chairperson)
- Mon Trésor & Mon-Désert Limited

Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Managing Director of ASMO Securities and Investments Ltd.

Chairperson of Central Depository & Settlement Co. Ltd.

Former Chairperson of the Stock Exchange of Mauritius Limited.

Directorship of listed Companies:

- Swan Insurance Company Limited

Peroomal Gopallen MOOROOGEN, F.C.C.A., M.B.A. (Wales)

Head of Division – Residential Services of Mauritius Telecom

Chairperson of the Stock Exchange of Mauritius Ltd. and Director of The Central Depository & Settlement Co. Ltd.

Directorship of listed Companies:

- Swan Insurance Company Limited

Victor SEEYAVE, M.B.A. (U.S.A.), B.A. Economics (U.K.)

Managing Director of Altima Limited

Directorships of listed Companies:

- Swan Insurance Company Limited
- Innodis Limited

Management Team

Senior Managers

Suzanne CHUNG TAK LUN – Group Information Technology (up to 31st December 2006)
Robert GALLET – Individual Business Marketing, Group Communications and Marketing Support, and Properties
Alan GODER – Pension Consultants & Administrators Limited, Claims, Fund Administration and Group Systems & Processes (as from January 2007)
Sattar JACKARIA - B.Sc. (Hons.), F.I.A. - Actuarial (as from 16th October 2006)
Paul LAM KWOH HING, A.C.I.I. – Pensions
Vincent LAMUSSE, M.S.G. – The Anglo-Mauritius Financial Services Ltd
Vishnoo LUXIMAN, M.Sc. – Group Human Resources
Maxime REY – Group Finance
George SUI TIT TONG, A.C.I.I. – Individual Business Operations

Managers

Navindranath BHUGALOO - Pension Consultants & Administrators Ltd.
Paulette CHUNG FAT – Personal Assistant to Group Chief Executive
Edward CUNNIAH – Claims
Patrick DE MARCY CHELIN – Loans
Robert GELLE – Maintenance
Eric HOODMAN, M.B.C.S. – Information Technology
Bernard KISHTOO – Pensions
Herbert MADANAMOOTHOO, Maîtrise de Droit – Legal
Jean-Claude NG CHEONG HIN – Accountant
Carlo POLIAH, Dip. (Bus & Fin.)-Individual Business Marketing

Directorate & Management (continued) – for the financial year 2006

Senior Management Team Profile 2006

Louis RIVALLAND, B.Sc. (Hons.), F.I.A. (U.K.), F.A.S. (S.A.)
Group Chief Executive(As from 1st January 2007)

B.Sc. (Hons.) in Actuarial Science and Statistics, South Africa (S.A.)
Fellow of the Institute of Actuaries (F.I.A.), United Kingdom (U.K.)
Fellow of the Actuarial Society of South Africa (F.A.S.) (S.A.)

From 1994 to January 1997, Louis Rivalland (36) worked for the Commercial Union in South Africa as Manager - Product Development and was promoted Senior Manager in February 1997. From February 1998 to July 1999, he worked as Actuary and Consultant at Watson Wyatt in Johannesburg, South Africa whereby he was responsible for developing the investment area and for a number of clients on the pensions side as well as issues relating to the healthcare area.

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

From January 2002 to December 2004, he acted as Executive Manager of The Anglo-Mauritius. He has been appointed Group Chief Operations Officer in January 2005 and was responsible for the operations of Swan Insurance and The Anglo-Mauritius.

He was appointed Group Chief Executive of the Swan Group in January 2007.

He has been elected President of the Insurers' Association since March 2006.

He is a Director for the following Listed Companies:
- Belle Mare Holding Limited
- Mon Désert Alma Limited (Chairperson of the Audit Committee)
- Naïade Resorts Limited
- New Mauritius Hotels (member of its Audit Committee)
- Swan Insurance Company Limited
- The General Investment and Development Company Limited (Chairperson of the Audit Committee)
- The Mauritius Development Investment Trust Company Limited

He is a Board member of the Mauritius Revenue Authority.

His key areas of specialization are investment management as well as product development in insurance and pensions business.

Jean Paul CHASTEAU DE BALYON

Member of The Chartered Insurance Institute (C.I.I.) – U.K.
Member of The Association of Company Secretaries – Mauritius

Jean Paul Chasteau de Balyon (56) joined Swan Insurance in 1969 as Underwriter motor and non-motor insurance and was appointed Assistant Company Secretary in 1974. In 1976, he was appointed Company Secretary of Swan Insurance and also attributed the responsibilities of Administration and Human Resources. He was appointed Group Company Secretary of the Swan Group in January 2003.

He has been fully involved in the following key projects:
Introduction of Swan Insurance on the official market of the Stock Exchange of Mauritius in 1990;
Scheme of Arrangement for the benefit of shareholders in 1991;
Swan Group Centre project in 1992 and 1993;
Standardisation of the Swan Group Staff Handbook of conditions of employment (1979).

He is a Council Member of the Mauritius Chamber of Commerce and Industry and a Member of the Consultative Committee of the Stock Exchange of Mauritius.

He has attended a number of management development courses given by the Chartered Insurance Institute of the United Kingdom.

He has been Secretary General of the Insurers' Association and Secretary of the first consultative committee of the Swan Group. He is the Chairperson of the sub-committee of the Insurers' Association on issues linked to the World Trade Organisation (WTO).

He is a member of the Working Group on Financial Services set up by the Government on issues connected with the World Trade Organisation (WTO) and was part of the national delegation which took part in the WTO negotiations in Geneva in 2002 and 2003.

He acts as Director of Companies in the tourism and sugar sectors.

Since the 1st of May 2006, Jean Paul Chasteau de Balyon acts as Company Secretary of Swan Group Corporate Services Ltd., a Company incorporated to provide secretarial services to the Swan Group.

Gerald LINCOLN

Consultant to Group Chief Executive

Gerald Lincoln (71) joined The Anglo-Mauritius as Executive in the Accounts Department in December 1971. He was appointed Accountant and Manager of the Accounts Department in July 1985 and significantly contributed to the financial and risk management of The Anglo-Mauritius in the ensuing years.

In January 1994, he was appointed Assistant to the General Manager of The Anglo-Mauritius and was promoted to Executive Manager of The Anglo-Mauritius in January 1997. In the period of eight years to the date of his retirement in December 2001, he was a key figure in the development and modernization process of The Anglo-Mauritius.

He was re-employed in 2002 in the capacity of Consultant to Group Chief Executive and has valuable input regarding the strategy and restructuring of the Swan Group.

Robert GALLET
Senior Manager
Individual Business Marketing, Group Communications and Marketing Support, and Properties

Senior Management Course - Graduate School of Business Administration, South Africa (S.A.)
Diploma in Agency Management - Life Insurance Marketing and Research - Hartford, Connecticut
Diploma in Advanced Management Programme - Life Insurance Marketing and Research - Hartford, Connecticut

Robert Gallet (56) worked for eight years in the Pensions Business of Southern Life in South Africa. He held the position of Assistant to Divisional Accountant responsible for the division's financial accounting function of the New Business, Underwriting, Claims, Commissions, Actuarial, Legal and IT departments, including budgeting, cost control, and financial reporting, and general administration.

He worked for six years in the Individual Life Business of Southern Life in South Africa. He held the position of Manager and Senior Manager responsible for providing financial and administrative services to the New Business, Premium Collection, Underwriting, Policy Servicing, Claims, Actuarial, IT departments within the Division and all sixteen Regional offices and branches across the Country with special emphasis on yearly and long term financial planning and budgeting.

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

His key areas of expertise are administration and marketing.

Alan GODER
Senior Manager
Pension Consultants and Administrators Ltd., Claims, Fund Administration and Group Systems and Processes

Student Member of the Institute of Actuaries
Followed various courses in IT including Unix and Visual Basic

Alan Goder (39) worked in the Actuarial Department of The Anglo-Mauritius as Actuarial Clerk from February 1988 to April 1989. From May 1989 to December 1995, he was employed as Technical Supervisor in the Life Department of The Albatross Insurance Company Ltd. From August 1996 to June 2001, he was the Executive Director of Actuarial & Capital Management Services Ltd.

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

He joined The Anglo-Mauritius as Senior Manager in November 2004, where he oversees the Claims and Fund Administration departments. He is also responsible for managing Pension Consultants & Administrators Ltd.

Since January 2007, Alan is also Senior Manager to the Group Systems & Processes department.

His key areas of specialization are pensions administration and consulting.

Sattar JACKARIA, B.Sc. (Hons.), F.I.A. (as from October 2006)
Senior Manager
Actuarial Department

B.Sc. (Hons.) Mathematics, Operational Research, Statistics and Economics, U.K.
Fellow of the Institute of Actuaries (F.I.A.), U.K.

From September 1999 to September 2006, Sattar Jackaria (29) was working in the HR Services department of Towers Perrin in London, United Kingdom. Towers Perrin is a leading provider of HR consulting services worldwide.

He joined Towers Perrin as an actuarial trainee after completing a degree at Warwick University (UK). He qualified as an actuary and was promoted to consultant in 2004. During his time with Towers Perrin, he acquired a vast experience in the HR space dealing mainly with subsidiaries of large US multinational companies.

He joined the Actuarial Department of The Anglo-Mauritius as Actuary in October 2006 and is responsible for the day-to-day running of the department. He also offers technical assistance to the other departments of the Group.

His key areas of specialization include pensions business and actuarial consulting. He has been involved in a wide range of client facing activities including funding and investment advice, preparation of various types of GAAP disclosures, design and implementation of new pension schemes, advice in respect of merger and/or acquisition and day-to-day consulting.

Paul LAM KWOH HING, A.C.I.I.
Senior Manager
Pensions

Associate of the Chartered Insurance Institute (A.C.I.I.) - United Kingdom (U.K.)
Chartered Insurer - U.K.
Intermediate Stage examinations - the Institute of Bookkeeping
Member of the Insurance Institute of Mauritius (I.I.M.)

Paul Lam Kwoh Hing (60) joined The Anglo-Mauritius in 1967. He was appointed Pensions Superintendent in 1978 and promoted to Manager in the Pensions Department in 1994 and to Senior Manager in 2001. He leads the Pensions Department of the Company and is in charge of the portfolio of the Corporate Clients Group Pension Schemes administered by The Anglo-Mauritius.

He has acquired experience in various areas, including actuarial services, within the Company. He currently reckons over thirty years experience in Pensions Business.

He acted as Lecturer on a temporary basis at the University of Mauritius giving lectures in Elements of Insurance from November 1980 to March 1981 to students sitting for Chartered Insurance Institute (C.I.I.) examinations.

He regularly attends professional workshops relating to the insurance sector.

Directorate & Management (continued) – for the financial year 2006

Vincent LAMUSSE, MSG.
Senior Manager
The Anglo-Mauritius Financial Services Limited

Diplôme Universitaire en Sciences Economiques
Maîtrise de Science de Gestion (Bordeaux, France)

Vincent Lamusse (39) manages The Anglo-Mauritius Financial Services Ltd., which provides fund management and advisory services to the companies of the Swan Group as well as to other institutions, pension funds, and investments funds.

He joined The Anglo-Mauritius Assurance Society Ltd in 1991 and was subsequently appointed Assistant Manager (Investments) in 1994, and Investments Manager in 1999. He received some training in England at Eagle Star Assurance, London Life, Teacher's Assurance, and Mercantile & General Reinsurance. He contributed substantially to the development of the range of the Unit Linked Life and Pension policies and has set up the several Unit Linked Insurance Funds and other Segregated Funds of The Anglo-Mauritius Assurance Society Ltd. In 2004, he set up The Anglo-Mauritius Financial Services Ltd and was appointed Manager of this new venture. He was promoted Senior Manager in 2005.

Vishnoo LUXIMAN, M.Sc.
Senior Manager,
Group Human Resources

Master of Science in Human Resource Management (University of Surrey)
Diploma in Business Management (University of Surrey/ Mauritius Institute of Management)
Diploma in Personnel Management (University of Mauritius)
Member of the Singapore Human Resources Institute and of the Association of Human Resource Professionals (AHRP)-Mauritius

Vishnoo Luximan (45) worked as Assistant Personnel & Public Relations Officer at the Constance & La Gaieté SE Company Ltd from 1983 to 1988. He joined Deep River-Beau Champ Ltd (D.R.B.C) as Assistant Personnel Manager/ Public Relations Officer in 1988. He was promoted to the position of Personnel Manager/Public Relations Officer with the same company in 1990.

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

He is a registered trainer, up to degree level, with the Mauritius Qualifications Authority and has been delivering courses in the field of human resource management at the Regional Training Centre since 1998.

His key areas of specialization are labour legislation, employee resourcing, training & development, performance management, reward management and employee relations.

Maxime REY
Senior Manager
Group Finance

Maxime Rey (54) gained audit experience at Kemp Chatteris, in association with Touche Ross & Co., Chartered Accountants, from 1973 to 1974, and at Coopers & Lybrand (De Chazal du Mée), in association with Coopers & Lybrand (International), Chartered Accountants, from 1974 to 1977.

From 1977 to 1980, he worked as First Assistant Accountant at Deep River Beau Champ Sugar Estate Ltd.

From 1981 to 1993, he worked for Kuehne and Nagel (Pty) Ltd in Johannesburg, South Africa. That Company forms part of Kuehne and Nagel International AG, Switzerland, a worldwide transport, travel consulting and insurance broking organisation with some 400 offices in 60 countries. He held various financial positions within that Company, building up valuable experience in this international framework. He was appointed Group Financial Controller in 1989 and Director in 1992.

He joined The Anglo-Mauritius Assurance Society Ltd. in 1993 as Financial Controller, also heading the Company then budding IT department. He was instrumental in the computerisation and modernisation of the accounting systems of the Company. He was concurrently appointed head of the Loans and Legal Departments, as well as Deputy Money Laundering Reporting Officer (M.L.R.O.), in 2003.

He was appointed Senior Manager - Group Finance in 2005, and is now heading the Finance departments of both Swan Insurance Company Ltd. and The Anglo-Mauritius Assurance Society Ltd.

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

Associate of the Chartered Insurance Institute-U.K
Chartered Insurer-U.K
A founder member of the Insurance Institute of Mauritius

George Sui Tit Tong (59) joined The Anglo-Mauritius in January 1968.

He is a Senior Manager since July 2004 and is responsible for the overall operations pertaining to Individual Business, Group Life Schemes and the medical organisation of the Company.

He is also the responsible person for the reassurance portfolio of the Company and is in constant touch with its main reinsurers, namely Swiss Re and Munich Re.

His key area of specialization is the underwriting of life assurance business. He has acquired international exposure through his participations in workshops and attending conferences relating to life assurance and underwriting in London, Oxford, Singapore, Cape Town, Johannesburg, Geneva and Shanghai.

Chairperson's Statement and Directors' Report

On behalf of the Board of Directors, I am pleased to submit the Annual Report and Audited Financial Statements of The Anglo-Mauritius Assurance Society Limited and its Subsidiaries, for the year ended 31st December 2006.

The Mauritian economy has been in the forefront of all considerations in the course of the year under review since Mauritius has to live through the global structural changes and adapt to a post-preferential economic model. It was in this context that the government stated its economic, fiscal and monetary policies on the occasion of the budget speech delivery in June. In appealing for responsibility, efficiency and discipline, the Minister of Finance built its budgetary philosophy on three pillars: the opening of the economy, the redress of public finance and the setting up of a bold comprehensive Empowerment Programme. Other reforms targeted investment facilitation and issues linked with the industrial relations policy, notably the setting up of a National Wages Council coupled with a complete revision of the labour law. This budget also contains major fiscal reforms like the introduction of a National Residential Property Tax and a progressive reduction of the corporate tax rate.

From a sectoral point of view, the sugar industry is faced with the difficult challenges induced by the forthcoming price cuts. The implementation of the general policy enunciated in the Multi Annual Adaptation Strategic Plan, although impaired to a certain extent, will be critical and will require mobilisation and support from all stakeholders if production of sugar is to take place in a cost-effective and competitive environment and generate high value-added products.

Reliance on other pillars of our economy like an invigorated EPZ sector, tourism and financial services sectors and emerging ones like seafood and information technology is all the more crucial if Mauritius is to achieve higher growth rates and sustain an indispensable social stability. Thanks to the bold reforms initiated, some indicators reveal a positive upturn. Foreign Direct Investment, for example, the level of which is a cornerstone of the government's new economic objectives, is increasing quite significantly.

It is against such a background that I am pleased to report a satisfactory performance of the Group. This was achieved in spite of a highly competitive environment and of a specific feature of the fiscal reform which adversely impacted on the long-term segment of its operations.

In August, the Stock Exchange of Mauritius Limited launched the Development & Enterprise Market (DEM) with the objective of replacing the Over The Counter (OTC) Market. The DEM was conceived on a simplified regulatory environment, the continuing obligations of which generally reflect the requirements of The Securities Act 2005. The Directors decided that The Anglo-Mauritius Assurance Society Limited should join the DEM in view of the obvious advantages that would be derived, namely a better market exposure and visibility, openness to foreign investment, objective market valuation and a positive impact on governance practices. Anglo-Mauritius' shares were first quoted on the DEM on 4th August 2006.

In the course of the year, Mr. Jean de Fondaumière expressed the wish to retire from his position of Group Chief Executive to settle in Australia with his family. In view of the satisfactory implementation of the restructuring and succession plan initiated since 2005, the Directors decided to accede to Mr. de Fondaumière's request. The opportunity is taken here to place on record the significant contribution of Mr. de Fondaumière to the development of the Group which he joined in 1992 and especially since 1997 when he took office as Group Chief Executive. The Directors were pleased to announce the appointment of Mr. Louis Rivalland to the post of Group Chief Executive as from 1st January 2007. Mr. Rivalland joined the Group in 1999. He holds a B.Sc. (Hons.) in Actuarial Science and Statistics, South Africa, is a fellow of the Institute of Actuaries of United Kingdom (F.I.A.) and of the Actuarial Society of South Africa (F.A.S.S.A.). Mr. Rivalland's key areas of specialisation are investment management and product development of insurance and pension business. The Directors are confident that under the new leadership, the corporate plan initiated by them will continue to achieve business prosperity and shareholder value.

In the course of the year, Mr. Noël Adolphe Vallet resigned from the Board of Swan Insurance Company Limited as from the 20th November 2006. I would like to acknowledge the valuable contribution of Mr. Vallet since he joined the Board of Swan Insurance on 23rd May 1997 and to wish him success in his new ventures.

Mr. George John Dumbell, formerly Independent Non-Executive Director, became, by virtue of his new responsibilities at the head of the Constance Group, a Non-Executive Director as from 29th November 2006.

I would like on behalf of my colleagues of the Board to express my appreciation to the Group's executive and management teams and to the personnel at large for the quality of their performance. May I reiterate that the value of an organisation like ours is undoubtedly attributable to its people and how its interest coincide with those of their Group.

In concluding, I wish to express my gratitude to my colleagues of the Board, and more specially to those who sat on the committees, for their support and guidance.

M.E Cyril Mayer
Chairperson

Group Chief Executive's Review

LONG TERM OPERATIONS

The total premium income between 2005 and 2006 has increased by more than the corresponding rate between 2004 and 2005. Net of reinsurance, total premiums between 2005 and 2006 grew by 21.8% in comparison to a growth of 17.5% between 2004 and 2005.

In terms of the breakdown between the two types of policies, the unit-linked business achieved an annual growth of premiums net of reinsurance of 40.9% whilst the conventional business achieved a lower but still very respectable annual growth of 14.2%.

We are very pleased with these results as they were achieved despite adverse fiscal measures introduced in the 2006/2007 budget through the abolition of tax relief on personal pension contributions and on life insurance premiums. We attribute this success to the range and flexibility of our products, which cater for the ever-changing needs of policyholders, and also to the strong investment returns we continue to deliver to our policyholders.

Nonetheless, we recognise that the new fiscal measures will affect the growth of our long-term business in the immediate future. However, we are confident that by continuing to develop innovative products and by focusing on the protective features of our products, we will be able to maintain the growth of our business in the years to come.

Individual Business

The individual business has been affected by the fiscal measures described above leading to a challenging sales environment.

Although the government has reduced the income tax rate, the effect of these fiscal changes coupled with a general increase in prices have resulted in a reduction to the net disposal income of the population at large. As a result, regular savings through life insurance policies and personal pension plans fell significantly during the second half of the financial year.

Whilst we acknowledge that the life insurance industry has long been privileged with generous fiscal incentives, we feel that the abolition of tax relief on personal pension contribution is not an inducement towards retirement planning and this may have consequential macro-economic effect in the long term. In fact, most developed countries are attempting to encourage individuals to make their own pension provision so as to reduce the reliance on state benefits. We feel that the measures introduced are doing just the reverse.

In light of the above changing environment we have re-evaluated our strategies so as to maintain the high performance targets that we have set ourselves. It goes without saying that, now more than ever, we remain committed to a totally professional approach through the training and development of our staff and sales representatives.

Amidst these changes, we are confident that the individual line of business, through innovative and flexible saving and risk benefit products, will continue to play an important role in the overall business of the Company.

Corporate Business

In addition to the fiscal measures now in place, the Government has also announced that starting from 2008, there would be a gradual increase to the normal retirement age from 60 to 65 for state pension schemes. Unlike the individual line of business, these measures have not affected our corporate business.

Many of our corporate clients have shown interest to switch from a Defined Benefit (DB) to a Defined Contribution (DC) arrangement. The trend is most noticeable in respect of pension provision for new employees. However, some clients have gone further and implemented the change for existing employees as well. The switch in the type of pension vehicle indicates that employers are nowadays more conscious of the risks of running DB schemes. However, DC schemes require members to make well-informed decisions regarding a number of financial options available to them and may not be appropriate to all organisations.

We have launched a web access service for our DC scheme clients. This will enable each member of a DC scheme to have up-to-date information as regards to his/her Personal Member Account.

We have continued in our strategy to offer bundled and unbundled services in all the various aspects relating to pension scheme management in response to the needs of our clients and to the current market requirements. The independent legal structures of Pension Consultants and Administrators Limited (PCA) and The Anglo-Mauritius Financial Services Ltd (AMFS) and our leading actuarial department have enabled us to offer key services including administration, fund management and actuarial in the unbundled market.

SUBSIDIARIES

Pension Consultants and Administrators Limited (PCA)

PCA contributes to our corporate business through the provision of administration and setting up services for self-administered occupational pension schemes and complements the administration services offered by The Anglo-Mauritius Assurance Society Limited.

PCA is currently the market leader in its field and is privileged to administer the pension schemes for 3 of the top 5 local institutions. It currently provides administration services to over 100 companies, which account for around 9,000 members.

It has experienced a growth in income of around 6% in comparison to 2005. This growth is mainly due to 3 new schemes under administration and the growth in membership of its existing clients. PCA's objective for the coming year will be to strengthen its position in the field of administration of self-administered schemes.

The Anglo-Mauritius Financial Services Ltd (AMFS)

AMFS provides investment advisory and portfolio management services to companies within the Swan Group, private investors, institutions and superannuation funds.

Group Chief Executive's Review

SUBSIDIARIES (continued)

The Anglo-Mauritius Financial Services Ltd (AMFS) (continued)

It is also the appointed distributor of GAM Funds and Blackrock Merrill Lynch International Funds in Mauritius. The clients that subscribe to these funds are also offered advisory and/or portfolio management services. Although operating in a very competitive environment, AMFS has improved its profits over last year and is expected to continue to grow in the coming years.

REGIONAL DEVELOPMENT

The investment made by the group in State Assurance Co. Ltd (SACL) of Seychelles in association with the Seychelles Pension Fund, through Opportunity Investment Co. Ltd, has been further consolidated through an additional purchase of 7 % of SACL shares. Opportunity Investment Co. Ltd, in accordance with the share sale agreement with the Government of Seychelles, has been offered shares not subscribed by the employees during the privatisation offer process with the result that Opportunity Investment Co. Ltd now holds a total of 37 % of SACL shares.

The company has been working closely with the SACL management and has carried out a comprehensive analysis of their systems, products, reinsurance structure and is providing continuous technical support and service in various fields as well as assistance in the implementation of a development programme. The company is confident that this association will be beneficial to both companies in the future.

ECONOMIC HIGHLIGHTS

The World Economy

In 2006, the global economic growth is targeted to be slightly more than 3.0%. The growth rate for developed countries is expected to be around 3.3% whilst for economies in transition and developing countries, the growth rate is targeted to be around 2.5% and 5.9% respectively.

Looking ahead, although China has accumulated vast surpluses (all under China's weaker currency), the crippling trade deficit of the US is expected to offset some of this growth such that global economic growth for 2007 is expected to be moderate.

The Domestic Economy

The Mauritian economy grew at a rate of 5.0% during the year 2006 (2005: 2.3%). GDP per capita at basic prices is estimated at Rs. 144,858 compared to Rs. 130,416, representing an increase of around 10.5%. The inflation rate for the year 2006 has gone up to 8.9% (2005: 4.9%) while the estimated unemployment rate for the year 2006 fell marginally to 9.4% (2005: 9.6%). The investment rate has risen slightly to 23.9% (2005:21.3%). This was due mainly to the acquisition of new aircrafts and marine vessels.

The sugar industry has been affected by a 5.1% fall in the price of sugar. As a result, sugar production has been scaled down by 2.9% for 2006 to around 500,000 tones (2005: 519,816) over the year. However, the appreciation of the Euro and the implementation of property development strategies have had mitigating effects in this sector.

'Chikunkunya' adversely affected the tourism industry, especially during the second and third quarters of 2006. However, in the last quarter of 2006, the situation was successfully contained following a range of actions implemented by the government throughout the island. Despite the impact of 'Chikunkunya', tourist arrivals have increased by 3.7% leading to around 790,000 arrivals for the year 2006 (2005:761,063). The projected growth rate is anticipated to be around 10% for this sector. This is expected to be achieved through the liberalisation of air access and higher seat capacity on the national airline. The construction of additional hotels to cope with rising demand during peak seasons and recourse towards discounts during off-peak seasons is also expected to help the growth within this sector.

The EPZ sector is back with a newly found dynamism recording a growth rate of 4.6% for 2006 compared to a decline of 12.3% for the previous year. The current operators in that sector have been able to continue their activities during the difficult periods by targeting their efforts towards niche markets so as to be able to compete with low-cost producing countries such as China and India.

FINANCIAL HIGHLIGHTS

The Life Assurance Fund increased by Rs. 2.9 billion to reach Rs. 14.4 billion as at 31st December 2006 (Rs. 11.5 billion in 2005). It includes a fair value reserve currently amounting to Rs. 3.6 billion (Rs. 2.1 billion in 2005). The increase in fair value reserve of Rs. 1.5 billion made during the year (Rs. 842.4 million in 2005) was due to the unrealised gains from our equity portfolio on the stock exchange.

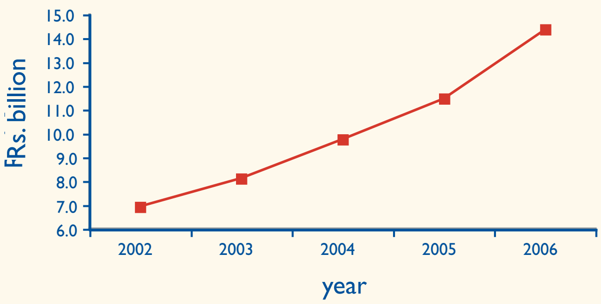
The total premiums receivable and annuity considerations net of re-assurances amounted to Rs. 1.5 billion in 2006 (Rs. 1.2 billion in 2005). This includes Rs. 425.6 million of premiums in respect of the linked business (Rs. 302.1 million in 2005).

During the year, the Company experienced death and disablement claims of Rs. 52.1 million as compared to Rs. 43.5 million in 2005. Maturities paid amounted to Rs. 566.4 million as compared to Rs. 450.7 million last year and surrenders increased from Rs. 175.2 million in 2005 to Rs. 206.8 million.

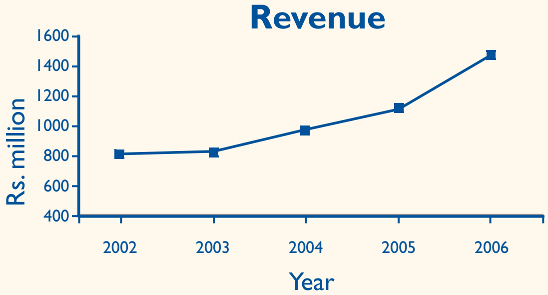
In terms of capital appreciation and gain on exchange, we break down the figures between the two types of policies. On the non-linked business, capital appreciation of Rs. 150.6 million and gain on exchange of Rs. 203.3 million were realised as compared to Rs. 60.4 million and Rs. 15.1 million in 2005 respectively. For the linked business, capital appreciation realised was in the order of Rs. 44.6 million as compared to Rs. 27.9 million in 2005 whilst the gain on exchange was Rs. 18.9 million as compared to Rs. 1.1 million in 2005.

FINANCIAL HIGHLIGHTS (continued)

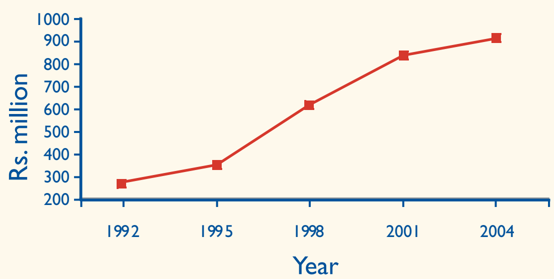
Life Assurance Fund



Revenue



Distributed Surplus



INVESTMENTS

Background

Equity

The Semtri reached a new high and recorded an excellent performance of 56.8% during the year. The Stock Exchange of Mauritius generated an annualised total return of 37.3% over the last five years and witnessed renewed trading activities by both local and foreign investors. Globally, stockmarkets averaged a growth of 20.7% in 2006 as measured by the MSCI World (US Dollars) with Europe amongst the leading regions with a return of 30.2%. The United States (US) returned 13.6% whilst Asia's performance lagged behind at 7.4% over the year.

Fixed Interest

On the fixed income side, the trend of rising interest rates continued into 2006. In Mauritius, interest rates increased by 150 bps to reduce inflationary pressures and improve the attractiveness of MUR denominated assets. Over the same period, the MUR substantially depreciated vis-à-vis its main trading currencies by 22.8% and 8.5% against the Euro and the US Dollar respectively. In the US, the Central Bank raised interest rates by 100 bps during the year but at a lower frequency rate and amount than in 2005.

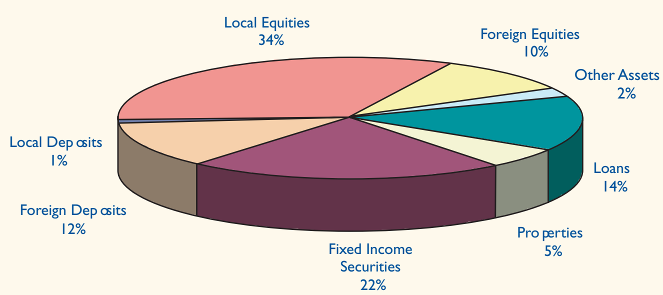
The performance of the Company's Funds

The Non-Linked Fund remains our largest fund as at 31st December 2006 with assets in excess of Rs. 12.8 billion at market value compared to Rs. 10.5 billion in the previous year. The assets are split between shares, properties & other assets (51%) and fixed income securities (49%). The Fund maintained its progress and delivered a good performance in 2006 helped by an impressive return on its equity portfolios. Around 22% of the Fund is invested overseas for diversification and return enhancing purposes.

The Equity Fund (Pension) was our overall best performing fund with a return of 48.5% during the year. This fund is principally weighted towards shares of quoted companies on the local stock exchange with a slight exposure to international stock markets. Our most popular unitised funds, the General Fund (Life) and the Secure Fund (Pension) which both adopt a more conservative investment mandate, have returned 12.9% and 11.3% respectively during 2006.

Investment structure at market value

The Anglo-Mauritius Non Linked Fund



LEGAL AND REGULATORY FRAMEWORK

The Insurance Act 2005, which was voted by the National Assembly in March 2005, has still to be proclaimed. However, discussions between the industry and the regulatory body regarding outstanding issues such as solvency rules have reached an advanced stage and the Act is expected to be proclaimed during 2007. The Act aims essentially to enhance the regulatory and supervisory framework for the insurance industry and to provide greater protection to policyholders and other beneficiaries. The Act provides for the application of the International Association of Insurance Supervisors' (IAIS) standards and principles and focuses on specific regulatory issues relating to capital adequacy, solvency, corporate governance and early warning systems.

Group Chief Executive's Review (continued)

LEGAL AND REGULATORY FRAMEWORK (continued)

In order to encourage insurance companies, whether engaged in short-term or long-term business, to offer a better service to policyholders and interested parties, the Financial Services Commission has issued Guidelines pursuant to section 7 (1) (a) of the Financial Services Development Act (the FSD Act) requiring Insurers to set up and maintain an internal complaints mechanism to ensure that complaints are handled in a timely, ethical and efficient manner. As such, a Complaints Coordinator has been appointed by the Company for the handling of complaints. Properly handled, complaints can be an economical way of improving public image, increasing client satisfaction and identifying and rectifying defective business processes.

The Finance Act 2006 has amended The Financial Intelligence and Anti-Money Laundering Act (the FIAML Act) by increasing the threshold for cash payment from Rs 350,000 to Rs 500,000.

The revised Code on the Prevention of Money Laundering and Terrorist Financing has placed a string of new responsibilities on the shoulders of the Money Laundering Reporting Officer (MLRO). The MLRO is now responsible for the implementation and monitoring of the day-to-day operation of the AML/CFT policy of the Insurance Entity. In addition, he has to report to the Board of Directors on any material breaches of the internal AML/CFT policy and procedures and/or of any money laundering laws and codes. The preparation of annual reports and such other periodic reports to the Board on the adequacy/shortcomings of internal controls and procedures implemented has also been ascribed to the MLRO. The report shall recommend any necessary action to remedy deficiencies identified.

It is also worth mentioning that there has been a significant increase in the number of Judges' order requesting insurers, within a short span of time, to provide to the Independent Commission Against Corruption detailed information regarding all transactions and accounts in respect of the persons and/or companies mentioned in the said order.

The revised Code has also assigned new responsibilities to the Board of Directors. It is presently the Board's duty to approve the Insurance Entity's AML/CFT policy and to establish proper procedures and allocate responsibilities to ensure that the aforesaid policy and procedures are managed effectively and are in line with applicable laws and codes.

Non-compliance with the Code may, besides causing significant reputational damage, ultimately lead to criminal sanction and regulatory action under section 3 (2) of the FIAML Act and section 7 (1) (e) of the FSD Act respectively. The Company is still pursuing its efforts to ensure compliance with the existing anti-money laundering legislations and Codes. The anti-money laundering compliance manual is presently being thoroughly revised and updated.

HUMAN RESOURCES AND ORGANISATION STRUCTURE

Human Resources

Management acceded to the request of Mrs Suzanne Chung, Senior Manager of the Group IT department, for an early retirement as from 1 January 2007 after 27 years' service with the Swan Group. I would like to take this opportunity to thank her wholeheartedly for her important contribution to the development of IT within the Group. We are also grateful to her for having kindly accepted our proposal to work as IT Consultant, on a part time basis, under a contract of fixed duration. This will enable the Group to benefit from her rich experience for some more time.

Mr Mark Whatley, Operations Executive and Actuary of The Anglo-Mauritius Assurance Society Limited has resigned from his post for personal reasons at the end of June 2006. I wish to emphasise his contribution to the development of the life assurance and pension businesses during the three and a half years he spent with us.

Mr Sattar Jackaria joined The Anglo-Mauritius Society Limited in October 2006 as Actuary and Senior Manager of the Actuarial department. He holds a honours degree in Mathematics, Operational Research, Statistics and Economics from the University of Warwick and is a Fellow of the Institute of Actuaries. He has worked for 7 years in the pensions and actuarial fields with a company of international repute in the United Kingdom.

The implementation of best practices in the field of human resource management has been one of our preoccupations in 2006. Our Group Human Resources department has carried out a gap analysis to determine the needs of the Swan Group. An action plan was subsequently set up to implement the necessary HR systems.

The first group wide performance review was held in December 2006 and January 2007. The exercise has enabled an open and constructive dialogue between Managers and their subordinates on performance related issues. Moreover, priority training and development needs have also been identified. Our performance management system should enable us to ensure sustained performance improvements over the forthcoming years.

Our Group Human Resources department has also documented policies and procedures in respect of the main HR activities. The policies will provide guidance to our Management team for decision-making on HR related matters. Moreover, the procedures will ensure consistency in the management of our human resources while minimising business risks.

Organisation Structure

As from 1st January 2007, the post of Group Chief Operations Officer has been removed such that all departments are directly accountable to the Group Chief Executive.

Swan Group Corporate Services Ltd (SGCSL), a new legal entity was set up in May 2006 to act as Secretary to the companies of the Swan Group. SGCSL, which is led by Mr Jean Paul Chasteau de Balyon in his capacity of Secretary, comprises of three full-time employees.

The departure of Mr Mark Whatley, the Operations Executive (Actuarial & Long Term Operations) at the end of June 2006, has brought about a few changes to the organisation structure of The Anglo-Mauritius Assurance Society Ltd. The Claims department was transferred under the responsibility of Mr Alan Goder, Senior Manager. The latter was also entrusted the responsibility for Actuarial Claims which previously formed part of the Actuarial department. Moreover, Mr Sattar Jackaria, B.Sc. (Hons), F.I.A, has been recruited as Actuary and Senior Manager of the Actuarial department.

HUMAN RESOURCES AND ORGANISATION STRUCTURE (continued)

Organisation Structure (continued)

As a result of the decision of Mrs Suzanne Chung Tak Lun, Senior Manager-Group IT, to take early retirement at the end of December 2006, the Group IT department has been reorganised into a Systems and Processes department. The underlying objective is to create a team combining both technical and analytical skills to implement streamlined solutions to meet the requirements of the various companies of the Group. Mr Alan Goder, Senior Manager, leads the new Systems and Processes department as from January 2007.

Louis Rivalland
Group Chief Executive

Corporate Governance Report 2006

1. COMPLIANCE STATEMENT

The Group is committed to the highest standards of business integrity, transparency and professionalism. The management of the Group's activities is exercised ethically and responsibly with the ultimate objective of enhancing shareholders' value and having regard to stakeholders at large.

During the year under review, the Group ensured that its operations yielded acceptable returns to stakeholders and were conducted in a way that displayed the following characteristics of good governance, namely discipline, transparency, independence, accountability, fairness and social responsibility.

The Boards of directors ensure that the principles of good governance are followed and applied throughout the Group.

2. ULTIMATE HOLDING COMPANY

MINORITY
(32.45%)

INTENDANCE HOLDING LIMITED
(INTENDANCE)
(67.55%)

SWAN INSURANCE COMPANY LIMITED
(SWAN)
(70.98%)*

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LIMITED
(ANGLO)

* at 31.12.2006

3. COMMON DIRECTORS

	ANGLO	SWAN	INTENDANCE
M.E. Cyril Mayer	√	√	√
M.J.Cyril Lagesse	√	√	√
P.Arnaud Dalais	√	√	√
M.M. Hector Espitalier-Noël	√	√	√
Me. Pierre Doger de Spéville	√	√	√

4. MAJOR SHAREHOLDERS

At April 30, 2007,the following shareholders held more that 5% of the ordinary share capital of the Company

	Direct		Indirect	
	No. of shares	% of voting rights	No. of shares	% of voting rights
Swan Insurance Company Limited	1,774,530	70.98	-	-
Intendance Holding Limited	-	-	1,232,234	49.28
	1,774,530	70.98	1,232,234	49.28

5. DIVIDEND POLICY

Every three years, an actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act 1987. The purpose of this valuation is to determine the surplus (deficiency) of the Life Assurance Fund for the period under review.

The surplus is distributed as follows:

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

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

6. THE BOARD OF DIRECTORS

There is a clear separation of the roles of the Chairperson and the Group Chief Executive. The Chairperson leads the Board, ensuring that each director, particularly the non-executive directors, is able to make an effective contribution. He monitors, with the assistance of the Secretary, the information distributed to the Board to ensure it is sufficient, accurate, timely and clear. The Group Chief Executive has the day-to-day management responsibility for the Group's operations, implementing the strategies and policies agreed by the Board. The non-executive directors constructively challenge and help develop proposals on strategy, scruntinize the performance of management in achieving objectives and monitor the reporting of performance.

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

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

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

(a) Role of the Board

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

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

(b) Election of Directors

The Code of Corporate Governance provides for directors to be elected (or re-elected as the case may be) every year at the annual meeting of shareholders. However, the Board does not consider this recommendation to be appropriate within the context of the Group. In addition, the constitution of the Company does not make any provision for such a procedure. The Board believes that the complexity of the Group's operations is such that a reasonable time should be allowed for an independent director to be reasonably conversant with its technicalities.

6. THE BOARD OF DIRECTORS (continued)

(b) Election of Directors (continued)

This applies particularly to those Directors who are members of the Audit and Risks Committee.

(c) Evaluation

The Board is composed of Directors coming from a wide cross section of the sectors of our economy. Every Director has drawn from his professional background and competence in positively contributing to the Board's activities, especially those who are members of the Board Committees.

(d) Directors' interests in shares

Directors	Direct interest 2006 & 2005	
	No. of shares	%
M.J. Cyril Lagesse	1,250	0.050
Pierre Doger de Spéville	70	0.003
Jean de Fondaumière	653	0.026
	1,973	0.079

7. REMUNERATION POLICY

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

The Remuneration structure has been designed so as to support the following strategic aims:

- Provide a remuneration package that attracts, retains and motivates staff and help to develop a high performance culture.
- Ensure that pay levels are internally consistent and externally competitive.
- Reward employees according to their performance and contribution.
- Provide a right mix of non-financial as well as financial rewards.
- Ensure that the remuneration package promotes improved performance and is affordable.

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

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

7. REMUNERATION POLICY(continued)

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

8. BOARD COMMITTEES

(a) The Audit and Risk Committee

The Committee consists of four non-executive directors, three of whom are independent including the Chairperson.
The current members are Mr. Sulliman Adam Moollan (Chairperson), Mr. Henri Harel, Mr. Peroomal Gopallen Mooroogen and Mr. Victor Seeyave. The Group Chief Executive attends unless a conflict of interest is likely to arise. Members of the Committee (including the Chairperson) have adequate financial awareness.

Executives, Members of the Senior Management Team, the Partner in charge of external audit and the Internal Auditors may be required to attend meetings of the Audit and Risks Committee.

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

The Committee is satisfied that it has discharged its responsibilities for the year in compliance with its terms of reference.
The Audit and Risks Committee's focus is on:
- The reliability and accuracy of the financial information provided by management to the Board and other users of financial information;
- The functioning of the internal control and the risk management systems;
- The functioning of the internal auditors;
- The risk areas of the operations to be covered in the scope of the internal and external audits;
- Whether the services of the current external and internal auditors should continue;
- Any accounting or auditing concerns identified as a result of the internal or external audits;
- Compliance with legal and regulatory requirements with regard to financial matters;
- The scope and results or the external audit and its cost effectiveness, as well as the independence and objectivity of the external auditors;
- The nature and extent of non-audit services provided by the external auditors; and
- Financial information to be published by the Board.

(b) The Corporate Governance Committee

The Committee consists of four non-executive directors, three of whom are independent.
The current members are Mr. Cyril Mayer (Chairperson), Mr. Sulliman Adam Moollan, Mr. Peroomal Gopallen Mooroogen and Mr. Victor Seeyave. The Group Chief Executive is in attendance.

The Corporate Governance Committee's terms of reference include but are not limited to:

- Determining, agreeing and developing the general policy on corporate governance in accordance with the Code of Corporate Governance, legal compliance and ethical policies;
- Assisting the Board on establishing a formal and transparent procedure for developing a remuneration policy for executive and senior management;
- Putting in place plans for succession, in particular the Chairperson and the Group Chief Executive;

Corporate Governance Report 2006 (continued)

8. BOARD COMMITTEES (continued)

(b) The Corporate Governance Committee (continued)

• Making recommendations to the Board on all new Board appointments; and
• Determining the level of emoluments of executive, non-executive, Independent non-executive directors and Board Committees members.

The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties and shall set the appropriate procedures accordingly.

The Committee is authorised to obtain, at the Group's expense, such outside legal or other independent professional advice as it considers necessary to perform its duties.

9. BOARD, COMMITTEES ATTENDANCE AND REMUNERATION IN 2006

		Board	Audit & Risks Committee	Corporate Governance Committee	Remuneration for the year		
Number of meetings held during the year		6	6	5	From the Company	From Subsidiary Companies	From Companies on which Director serves as representative of the Company
Directors	Classification	Attendance			Rs	Rs	Rs
M.E.Cyril Mayer (Chairperson of the Board and Corporate Governance Committee)	Non-executive	5	N/A	5	144,000.-	42,000.-	-
M.J. Cyril Lagesse	Non-executive	6	N/A	N/A	75,000.-	-	-
P. Arnaud Dalais	Non-executive	3	N/A	N/A	75,000.-	-	-
Pierre Doger de Spéville	Non-executive	4	N/A	N/A	75,000.-	-	-
George John Dumbell	Non-executive (Independent Non-executive up to 29.11.2006)	5	N/A	N/A	75,000.-	-	-
M.M. Hector Espitalier-Noël	Non-executive	2	N/A	N/A	75,000.-	-	-
Henri Harel	Non-executive	6	6	N/A	90,000.-	-	-
Thierry Lagesse	Non-executive	3	N/A	N/A	75,000.-	-	-
M.F.I. Jean Hugues Maigrot	Non-executive	6	N/A	N/A	75,000.-	-	-
Sulliman Adam Moollan (Chairperson of Audit and Risks Committee)	Independent non-executive	6	6	5	114,000.-	30,000.-	-
Peroomal Gopallen Mooroogen	Independent non-executive	5	5	5	105,000.-	-	-
Victor Seeyave	Independent non-executive	5	4	4	105,000.-	-	-
Jean de Fondaumière	Executive	6	N/A	N/A	6,027,293.-*	30,000.-	1,505,000.-
Louis Rivalland	Executive	5	N/A	N/A	3,269,205.-**	10,000.-	-

* Represents 60% of total remuneration from the Company, the balance of 40% is borne by Swan
** Represents 50% of total remuneration from the Company, the balance of 50% is borne by Swan

10. SECRETARY

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

11. RELATED PARTY TRANSACTIONS

For related party transactions, please refer to Note 31 to the financial statements.

12. CONSTITUTION

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

13. SHAREHOLDERS' AGREEMENTS/THIRD PARTY MANAGEMENT AGREEMENTS

There were no such agreements during the year under review.

14. INTERNAL AUDIT

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

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

• Role and responsibilities

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

• Reporting and disclosure

- Structure and Organisation

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

- Reporting lines

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

• Coverage and Risk management

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

• Accessibility

The Internal Auditors have unrestricted access to the records, management or employees of the Group.

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

15. RISK MANAGEMENT

In our business, successful management essentially means controlling risks in order to protect the financial strength of the Group and increase its value on a sustained basis.
The Board has overall responsibility for the Group's systems of risk management and for reviewing their effectiveness at least annually. The systems are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material financial misstatement or loss.
Executive management has the responsibility for establishing and implementing appropriate systems and controls in their own areas of remit.

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

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

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

- **Insurance risk**

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

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

- **Reinsurance risk**

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

- **Environment and Strategy risks**

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

Environment risks may arise from:
-failure to understand customer wants;
-failure to anticipate or react to actions of competitors; and
-over dependence on vulnerable suppliers, etc.

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

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

15. RISK MANAGEMENT (continued)

• Environment and Strategy risks (continued)

-Regulatory Risks:

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

-Industry Risks

Risks which makes the industry less attractive as a result of changes in:
• Key factors for competitive success within the industry, including significant opportunities and threats;
• Capabilities of existing and potential competitors; and
• Group's strengths and weaknesses relative to present and future competitors.

• Operational risks

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

Operational risks are further broken down into:

-Human resource risks:

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

-Fraud risks:

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

-Physical risks:

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

-Business Continuity risks:

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

-Reputational risks:

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

• Information Processing/Technology Risks

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

15. RISK MANAGEMENT (continued)

• Financial Risks

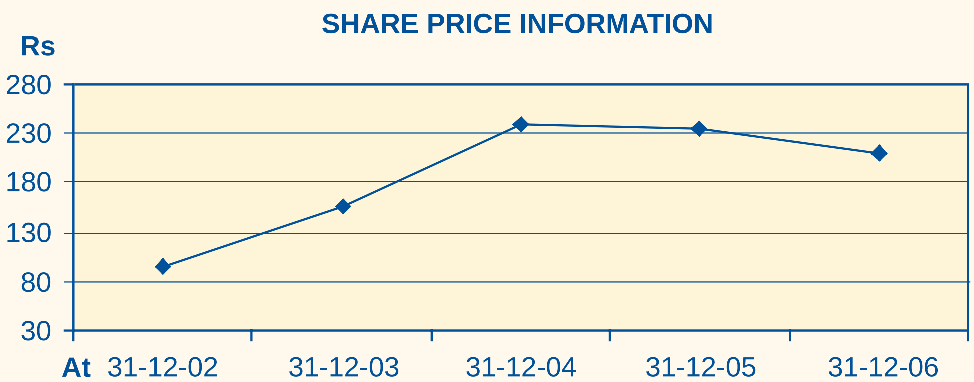
The primary sources of financial risks within the Group are reinsurance counterparties, credit risk, inherent to insurance contracts, treasury and investment activities and premium debtors. Market risk arises from the Group's investment portfolios. Liquidity risk is considered to be low for the Group.

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

16. SHARE OPTION

The Group has no share option plan.

17. SHARE PRICE INFORMATION



Share price of the Company increased by 121.1% over the last five years from Rs 95.- per share at December 31, 2002 to Rs 210.- per share in 2006.

18. SHAREHOLDERS' PROFILE

The Company's shareholders' profile at year-end was as follows:-

(a)

Range of shares	No. of shareholders	No. of shares	% holding
1 – 500	206	22,082	0.883
501 – 1,000	36	26,993	1.080
1,001 – 5,000	46	104,962	4.198
5,001 – 10,000	5	36,791	1.472
10,001 – 50,000	7	150,906	6.036
50,001 – 100,000	6	383,736	15.349
100,001 – 250,000	0	0	0.000
250,001 – 500,000	0	0	0.000
Over 500,000	1	1,774,530	70.981
TOTAL	307	2,500,000	100.000

18. SHAREHOLDERS' PROFILE (continued)

(b)

Category	No. of shareholders	No. of shares	% holding
Individuals	254	273,342	10.934
Insurance and Assurance Companies	3	816	0.033
Pension and Provident Funds	2	2,431	0.097
Investment and Trust Companies	8	108,508	4.340
Other Corporate Bodies	39	340,373	13.615
The Holding Company	1	1,774,530	70.981
Total	307	2,500,00	100.000

19. CHARITABLE DONATIONS

For charitable donations, please refer to page 71 of the Annual Report under 'Other Statutory Disclosures'.

20. STAKEHOLDERS' RELATIONS AND COMMUNICATION

The Group's objective is to properly understand the information needs of shareholders and to have an open and meaningful dialogue with all its stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend the annual meeting of shareholders.

The Annual Report is sent to all shareholders and to a number to stakeholders. The Group's website provides financial, business and other information about the Group's activities and profile.

21. CODE OF ETHICS

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

22. SUSTAINABILITY REPORTING

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

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

Corporate Governance Report 2006 (continued)

23. TIME-TABLE OF IMPORTANT FORTHCOMING EVENTS

June 2007	Annual Meeting of Shareholders.
September 2007	Filing of half-year results with the Stock Exchange of Mauritius
November 2007	Board of Directors meets to decide on the advisability of declaring a dividend.

Jean Paul CHASTEAU DE BALYON
For Swan Group Corporate Services Limited
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

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

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

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

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

The directors report that:

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

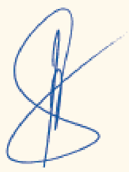
(ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;

(iii) applicable accounting standards have been adhered to. Any departure in the fair presentation has been disclosed, explained and quantified.

(iv) the code of Corporate Governance has been adhered to in all material respects and reasons provided for non-compliance.

Signed on behalf of the Board of Directors

M.E. Cyril Mayer
Chairperson



M.J. Cyril Lagesse
Director

Independent Auditors' Report to the Members

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

Report on the Financial Statements

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its subsidiaries (the "Group") and the Company's separate financial statements on pages 38 to 68 which comprise the balance sheets at December 31, 2006 and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing; implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 38 to 68 give a true and fair view of the financial position of the Group and of the Company at December 31, 2006, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BDO De Chazal Du Mee

BDO DE CHAZAL DU MEE
Chartered Accountants

Port-Louis,
Mauritius.
27th March 2007

Per M.Yacoob A. Ramtoola, F.C.A.

Balance Sheets - December 31, 2006

	Notes	THE GROUP 2006 Rs'000	THE GROUP 2005 Rs'000	THE COMPANY 2006 Rs'000	THE COMPANY 2005 Rs'000
ASSETS					
Non-current assets					
Property and equipment	5	**163,139**	164,657	**129,781**	131,792
Investment property	6	**393,832**	370,845	**327,449**	304,350
Intangible assets	7	**25,101**	25,323	**611**	810
Investments in Subsidiary Companies	8	**-**	-	**126,338**	125,724
Financial assets	9	**7,318,198**	5,066,231	**7,318,198**	5,066,231
Loans and receivables	10	**2,318,957**	2,367,812	**2,318,957**	2,367,812
Statutory deposit		**8,000**	8,000	**8,000**	8,000
		10,227,227	8,002,868	**10,229,334**	8,004,719
Current assets					
Trade and other receivables	11	**123,059**	99,843	**121,414**	100,304
Financial assets	9	**2,113,295**	1,812,214	**2,113,295**	1,812,214
Loans and receivables	10	**208,104**	204,799	**208,104**	204,799
Short term deposits	12/28(b)	**1,854,180**	1,574,242	**1,854,180**	1,574,242
Cash in hand and at bank	28(b)	**88,540**	54,888	**74,724**	40,601
		4,387,178	3,745,986	**4,371,717**	3,732,160
Total assets		**14,614,405**	11,748,854	**14,601,051**	11,736,879
EQUITY AND LIABILITIES					
Capital and Reserves (attributable to equity holders of the parent company)					
Share Capital	13	**25,000**	25,000	**25,000**	25,000
Proprietors' Fund		**34,219**	65,173	**34,219**	65,173
Equity holders' interest		**59,219**	90,173	**59,219**	90,173
Minority Interest	14	**177**	108	**-**	-
Total equity		**59,396**	90,281	**59,219**	90,173
Non-current liabilities					
Life Assurance Fund	2(i)/15	**14,384,606**	11,473,068	**14,376,113**	11,464,825
Borrowings	16	**-**	90	**-**	-
Deferred tax liabilities	17	**1,472**	1,493	**-**	-
Retirement Benefit Obligations	18	**89,196**	90,897	**89,251**	90,961
		14,475,274	11,565,548	**14,465,364**	11,555,786
Current liabilities					
Trade and other payables	19	**73,242**	88,118	**71,468**	87,070
Current tax liabilities	20	**6,493**	4,907	**5,000**	3,850
		79,735	93,025	**76,468**	90,920
Total equity and liabilities		**14,614,405**	11,748,854	**14,601,051**	11,736,879

These financial statements have been approved for issue by the Board of Directors on 27th March 2007.

M.E. Cyril Mayer
Chairperson

M. J. Cyril Lagesse
Director

The notes on pages 43 to 68 form an integral part of these financial statements.
Auditors' report on pages 36 and 37.

Life Assurance Fund - Non Linked Account - Year ended December 31, 2006

		THE GROUP		THE COMPANY	
	Notes	**2006**	2005	**2006**	2005
		Rs'000	Rs'000	**Rs'000**	Rs'000
Gross Premiums		**916,172**	795,672	**916,172**	795,672
Ceded to Reinsurers / adjustment		**(55,355)**	(41,642)	**(55,355)**	(41,642)
Net insurance premiums	21	**860,817**	754,030	**860,817**	754,030
Consideration for annuities	21	**193,958**	133,244	**193,958**	133,244
Fee income on insurance and investment contracts		**51,808**	32,405	**40,669**	25,820
Investment income	22	**604,727**	522,491	**610,198**	531,118
Other income	23	**150,560**	60,364	**150,560**	60,364
Gain on exchange		**203,293**	15,120	**203,293**	15,120
Other operating income - rent		**18,200**	15,499	**12,208**	10,410
		2,083,363	1,533,153	**2,071,703**	1,530,106
Net death and disablement insurance claims	24	**51,825**	43,372	**51,825**	43,372
Maturity claims		**553,111**	440,670	**553,111**	440,670
Surrenders		**169,129**	138,660	**169,129**	138,660
Annuities		**119,494**	102,642	**119,494**	102,642
Commissions payable to agents and brokers		**50,163**	44,007	**50,163**	44,007
Fees payable		**19,872**	14,391	**19,872**	14,391
Depreciation of property and equipment	5	**11,778**	12,650	**11,038**	11,862
Depreciation of investment property	6	**6,331**	5,743	**6,192**	5,603
Amortisation of intangible assets	7	**1,216**	922	**509**	405
Computer development expenses		**2,538**	2,155	**2,538**	2,155
Bad debts		**3,594**	1,325	**3,594**	1,325
Marketing and administrative expenses	25	**114,607**	105,170	**106,902**	99,524
		1,103,658	911,707	**1,094,367**	904,616
Surplus for the year before taxation		**979,705**	621,446	**977,336**	625,490
Taxation	20	**(19,340)**	7,085	**(17,294)**	8,130
Surplus for the year		**960,365**	628,531	**960,042**	633,620
Surplus transferred as follows:					
- Life Assurance Fund	15	**960,292**	537,237	**960,042**	542,335
- Proprietors' Fund		**-**	91,285	**-**	91,285
- Minority interest	14	**73**	9	**-**	-
		960,365	628,531	**960,042**	633,620

The notes on pages 43 to 68 form an integral part of these financial statements.
Auditors' report on pages 36 and 37.

Life Assurance Fund - Linked Account - Year ended December 31, 2006

	Notes	THE COMPANY 2006 Rs'000	2005 Rs'000
Gross premiums		**421,376**	306,347
Ceded to Reinsurers / adjustment		**4,209**	(4,209)
Net insurance premiums	21	**425,585**	302,138
Investment income	22	**115,984**	74,797
Other income	23	**44,567**	27,863
Gain on exchange		**18,925**	1,075
		605,061	405,873
Net death and disablement claims	24	**315**	97
Maturity claims		**13,261**	10,031
Surrenders		**37,644**	36,549
Annuities		**17,681**	13,656
Fees payable		**20,018**	14,311
		88,919	74,644
Surplus for the year	15	**516,142**	331,229

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

The notes on pages 43 to 68 form an integral part of these financial statements.
Auditors' report on pages 36 and 37.

Statements of Changes in Equity - Year ended December 31, 2006

THE GROUP AND THE COMPANY	Notes	Attributable to equity holders of the parent company Share Capital Rs'000	Proprietors' Fund Rs'000	Total Rs'000	Minority Interest Rs'000	Total Rs'000
Balance at January 1, 2006		**25,000**	**65,173**	**90,173**	**108**	**90,281**
Interest allocated		**-**	**7,546**	**7,546**	**-**	**7,546**
Net movement for the year	**14**	**-**	**-**	**-**	**69**	**69**
Dividends	**26**	**-**	**(38,500)**	**(38,500)**	**-**	**(38,500)**
Balance at December 31, 2006		**25,000**	**34,219**	**59,219**	**177**	**59,396**
Balance at January 1, 2005		25,000	5,201	30,201	104	30,305
Interest allocated		-	7,187	7,187	-	7,187
Surplus transferred from Life Assurance Fund		-	91,285	91,285	-	91,285
Net movement for the year	14	-	-	-	4	4
Dividends	26	-	(38,500)	(38,500)	-	(38,500)
Balance at December 31, 2005		25,000	65,173	90,173	108	90,281

The notes on pages 43 to 68 form an integral part of these financial statements.
Auditors' report on pages 36 and 37.

Cash Flow Statements – Year ended December 31, 2006

		THE GROUP		THE COMPANY	
	Notes	**2006**	2005	**2006**	2005
		Rs'000	Rs'000	**Rs'000**	Rs'000
Operating activities					
Cash generated from operations	28(a)	**388,831**	281,135	**381,116**	331,528
Investment income received		**707,659**	647,733	**712,876**	592,547
Tax paid		**(17,775)**	(740)	**(16,144)**	(20)
Net cash generated from operating activities		**1,078,715**	928,128	**1,077,848**	924,055
Investing activities					
Purchase of property and equipment	5	**(10,268)**	(12,047)	**(9,027)**	(10,744)
Purchase of investment property	6	**(30,676)**	(64,756)	**(30,649)**	(64,730)
Purchase of intangible assets	7	**(994)**	(1,215)	**(310)**	(1,215)
Purchase of subsidiary company	8	**-**	-	**(614)**	-
Purchase of financial assets	9	**(3,438,798)**	(1,978,836)	**(3,438,798)**	(1,978,836)
Loans granted		**(232,546)**	(302,179)	**(232,546)**	(302,179)
Redemption/disposal of financial assets		**2,479,853**	1,731,595	**2,479,853**	1,731,595
Disposal of property and equipment		**21**	3,111	**21**	1,627
Disposal of investment property		**1,637**	1,628	**1,637**	1,628
Finance lease capital repayments		**-**	(1,079)	**-**	-
Loans received		**282,928**	275,500	**282,928**	275,500
Net cash used in investing activities		**(948,843)**	(348,278)	**(947,505)**	(347,354)
Financing activity					
Dividends paid	26	**(38,500)**	(38,500)	**(38,500)**	(38,500)
Net cash used in financing activity		**(38,500)**	(38,500)	**(38,500)**	(38,500)
Increase in cash and cash equivalents		**91,372**	541,350	**91,843**	538,201
Movement in cash and cash equivalents					
At January 1,		**1,629,130**	1,071,585	**1,614,843**	1,060,447
Increase		**91,372**	541,350	**91,843**	538,201
Effects of exchange rate changes		**222,218**	16,195	**222,218**	16,195
At December 31,	28(b)	**1,942,720**	1,629,130	**1,928,904**	1,614,843

The notes on pages 43 to 68 form an integral part of these financial statements.
Auditors' report on pages 36 and 37.

Notes to the Financial Statements – Year ended December 31, 2006

1. GENERAL INFORMATION

The Anglo-Mauritius Assurance Society Limited is a limited liability company incorporated and domiciled in Mauritius.
These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of the Company.

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

2. 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 International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation and disclosure in the current year. The financial statements are prepared under the historical cost convention, except that:
(i) land and buildings of certain subsidiary companies are carried at revalued amounts;
(ii) available-for-sale financial assets are stated at their fair values; and
(iii) held-to-maturity investments, loans and receivables and relevant financial assets and financial liabilities are carried at amortised cost.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2007 or later periods but which the Group and the Company have not early adopted.

Except for IFRS 7, Financial Instruments: Disclosures, the Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective 1 January 2007), and IFRS 8 , Operating segments (effective 1 January 2009), these standards, amendments and interpretations are not relevant to the Group's and the Company's operations.

IFRS 7, IFRS 8 and the Amendment to IAS 1 are disclosure requirements only and will not when adopted, affect the results of the Group and the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(b) Property and Equipment

All property and equipment is initially recorded at cost. Land and buildings of certain subsidiary companies are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation for property. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and equipment is stated at historical cost less depreciation. Increases in the carrying amount arising on revaluation of property and equipment of certain subsidiary companies are credited to revaluation reserve in shareholders' equity of these companies. Decreases that offset previous increases of the same asset as well as all other decreases are charged against revaluation reserve directly in equity. All other decreases are charged to the Income Statement of the subsidiary companies.

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

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

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

2. ACCOUNTING POLICIES (continued)

(c) Intangible assets

Intangible assets consist of the following :

(i) Goodwill

Goodwill represents the excess of cost of acquisition over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Any net excess of the Group's interest in the net fair value of acquiree's net identifiable assets over cost is recognised in the Life Assurance Fund.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Computer softwares

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

(d) Investment Property

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

Investment property 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 its residual value over its estimated useful life. The principal annual rate used is:-

Buildings	2%

Land is not depreciated.

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

(e) Impairment of assets

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

(f) Investment in subsidiaries

Separate financial statements

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

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) 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 results of subsidiaries acquired or disposed of during the year are included in the Life Assurance Fund from the effective date of their acquisition or up to the effective date of their disposal.

The consolidated financial statements have been prepared in accordance with the purchase method. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in Life Assurance Fund in the year of acquisition.

All significant intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. ACCOUNTING POLICIES (continued)

(g) Financial assets

Categories of financial assets

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

(i) Loans and receivables

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. They arise when the Group provides money or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months of balance sheet date or non-current assets for maturities greater than twelve months.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has positive intention and ability to hold to maturity.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of them within twelve months of the balance sheet date.

Initial measurement

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

Subsequent recognition

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

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in the Life Assurance Fund until the financial assets are disposed of or found to be impaired, at which time, the cumulative gains or losses previously recognised in the Life Assurance Fund are recognised as gains and losses on financial assets. On disposal, the profit or loss recognised in the Life Assurance Fund is the difference between the proceeds and the carrying amount of the financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.
These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and net assets basis.

Derecognition

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

Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss is recognised in Life Assurance Fund.

If there is evidence of impairment loss on loans or held-to-maturity investments carried at amortised cost, the amount of loss is measured as the difference between the asset's carrying amount and present value of estimated cash flows, discounted at the asset's original effective interest rate. The amount of loss is recognised in the Life Assurance Fund.

(h) Trade and other receivables and payables

(i) Trade and other receivables

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

(ii) Trade and other payables

Trade and other payables are stated at their nominal value.

2. ACCOUNTING POLICIES (continued)

(h) Trade and other receivables and payables (continued)

(ii) Trade and other payables (continued)
The nominal value of trade receivables and payables and other receivables and payables are assumed to approximate their fair values.

(i) Life Assurance Fund

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

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

(j) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.
Borrowings comprise mainly of obligations under finance leases and other interest free and unsecured loans without fixed repayments terms. The carrying amounts of these borrowings approximate their fair values.

(k) Accounting for leases - where the subsidiary is the lessee

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement of the subsidiary, on a straight-line basis over the period of the lease.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to income statement of the subsidiary.

(l) Retirement Benefit Obligations

The Company has a retirement pension fund for its employees which is internally managed. Full liability of the Retirement Benefit Obligations has been recognised in the Balance Sheet as the assets are not legally separate and cannot therefore be considered as Plan Assets.

(m) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

The principal temporary differences arise from depreciation on property and equipment, tax losses and retirement benefit obligations.

(n) Insurance contracts

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

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

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

2. ACCOUNTING POLICIES (continued)

(n) Insurance contracts (continued)

(i) Long-term insurance contracts without fixed terms and with discretionary participating feature (DPF)
This type of contracts entitles the contract holders to a minimum guaranteed amount. The Discretionary Participating Feature (DPF) component gives the contract holders contractual rights to bonuses in addition to the minimum guaranteed amounts. A bonus is declared when the actual return on backing assets is higher than the expected return at inception of the contract. The amount and timing of the settlement of the DPF element is however at the discretion of the Company. The bonus is derived from the DPF eligible surplus available arising upon revaluation of backing assets. Revaluation of long-term business assets is carried out by independent Actuaries on a triennial basis.

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

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

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

(o) Revenue recognition - Premiums Earned

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

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

(p) Liability adequacy test

The Company's independent Actuaries review contract liabilities and carry out a liability adequacy test using current estimates of future contractual cash flows after taking into account the investment return expected on assets relating to the relevant long term business.

(q) Reinsurance contracts

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

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

(r) Other revenue recognition

(i) Consideration for annuities - upon maturity of insurance contracts.
(ii) Rental income - as it accrues based on the terms of the rental contract.
(iii) Other revenues earned by the Group and 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.

2. ACCOUNTING POLICIES (continued)

(s) Foreign Currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(t) Provisions

Provisions are recognised when the Group has a present or constructive obligation as a result of past events and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated to settle the obligation.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

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

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

3.1 Insurance risk

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

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities.

The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

(a) Insurance contracts

(i) Concentration, frequency and severity of claims

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

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

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

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

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

3.1 Insurance risk (continued)

(a) Insurance contracts (continued)

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

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

3.2 Financial risks

The Company's activities are exposed to financial risks through their financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance and investment contracts.
The most important components of these financial risks are:
• Interest rate risk;
• Foreign exchange risk;
• Credit risk;
• Liquidity risk;
• Market risk;
• Reinsurers' default.

(a) Interest rate risk

The Company's investments are exposed to interest rate risk. The Company has however, proper asset-liability management framework in place, to ensure that investment returns are in excess of Company's obligations.

Insurance contracts with guaranteed and fixed terms have benefit payments that are fixed and guaranteed at inception. The financial risk inherent to these contracts is interest rate risk since fluctuations in interest rate may negatively impact the return on investments. The interest rate risk is however, mitigated by the fact that the Company's investment portfolio is closely monitored by management to ensure that insurance liabilities are adequately covered. The Company's investment policy is also under the oversight of the Company's external Actuaries, who make recommendations as to investments.

For insurance contracts without fixed terms, the Company ensures a proper matching of its portfolio of assets with insurance liabilities and the interest rate risk for these contracts is thus minimised.

(b) Foreign exchange risk

Reinsurance policies of the Company are purchased from the international markets, thereby exposing it to foreign currency fluctuations. The Company's primary exposures are associated with the Euro, US dollar and UK pound sterling.

The Company also has a number of investments in foreign entities, deposits and bank balances denominated in foreign currencies. It is exposed to foreign exchange risk arising from various currencies primarily with respect to Euro, US Dollar and UK pound sterling.

Exposure to foreign currently risk is not hedged but is closely monitored by management.

(c) Credit risk

The Company's credit risk is primarily attributable to insurance receivables i.e. insurance contract holders and insurance intermediaries and loans receivable. The amounts presented in the Balance Sheet are net of allowances for estimated irrecoverable amounts, based on management's prior experience and the current economic environment.

Except for amount receivable from reinsurers, the Company has no significant concentration of credit risk, with exposure spread over a large number of clients, agents and brokers. The Company has policies in place to ensure that sales of services are made to clients, agents, brokers and reinsurers with sound credit history.

3. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

3.2 Financial risks (continued)

(d) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity risk is considered to be low since the Company maintains an adequate level of cash resources or assets that are readily available on demand.

(e) Market risk
Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The carrying amount of investments whose shares are traded on the market may be subject to variations.
This risk is mitigated as the Company holds a diversified portfolio of investments in Mauritius and abroad.

(f) Reinsurers' default
The Company is exposed to the possibility of default by its Reinsurers for its share of insurance liabilities and refunds in respect of claims already paid. Management 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 and therefore risk of default is remote.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

4.1 Insurance contracts

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

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

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

4.1 Insurance contracts (continued)

(b) Sensitivity

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

4.2 Reinsurance

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

4.3 Held-to-maturity investments

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

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

4.4 Impairment of available-for-sale financial assets

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

4.5 Impairment of other assets

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

5. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP					
	Freehold land and buildings Rs'000	Furniture, fixtures & fittings Rs'000	Computer equipment Rs'000	Electrical equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST AND VALUATION						
At January 1, 2006						
Cost	121,861	72,468	26,198	2,235	34,324	257,086
Valuation	27,664	-	-	-	-	27,664
	149,525	72,468	26,198	2,235	34,324	284,750
Additions	1,954	536	5,088	13	2,677	10,268
Disposals	-	(150)	-	-	(420)	(570)
At December 31, 2006						
Cost	**123,815**	**72,854**	**31,286**	**2,248**	**36,581**	**266,784**
Valuation	**27,664**	**-**	**-**	**-**	**-**	**27,664**
	151,479	**72,854**	**31,286**	**2,248**	**36,581**	**294,448**
DEPRECIATION						
At January 1, 2006	9,656	64,996	21,555	1,985	21,901	120,093
Charge for the year	2,474	1,649	2,398	52	5,205	11,778
Disposal adjustments	-	(150)	-	-	(412)	(562)
At December 31, 2006	**12,130**	**66,495**	**23,953**	**2,037**	**26,694**	**131,309**
NET BOOK VALUE						
At December 31, 2006	**139,349**	**6,359**	**7,333**	**211**	**9,887**	**163,139**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	THE GROUP					
	Freehold land and buildings Rs'000	Furniture, fixtures & fittings Rs'000	Computer equipment Rs'000	Electrical equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST AND VALUATION						
At January 1, 2005						
Cost	121,861	71,813	25,495	2,235	30,883	252,287
Valuation	27,664	-	-	-	-	27,664
	149,525	71,813	25,495	2,235	30,883	279,951
Additions	-	655	1,056	-	10,336	12,047
Disposals	-	-	(353)	-	(6,895)	(7,248)
At December 31, 2005						
Cost	121,861	72,468	26,198	2,235	34,324	257,086
Valuation	27,664	-	-	-	-	27,664
	149,525	72,468	26,198	2,235	34,324	284,750
DEPRECIATION						
At January 1, 2005	7,219	62,915	19,980	1,935	20,551	112,600
Charge for the year	2,437	2,081	1,869	50	6,213	12,650
Disposal adjustment	-	-	(294)	-	(4,863)	(5,157)
At December 31, 2005	9,656	64,996	21,555	1,985	21,901	120,093
NET BOOK VALUE						
At December 31, 2005	139,869	7,472	4,643	250	12,423	164,657

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	THE COMPANY				
	Freehold land and buildings	Furniture, fixtures & fittings	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At January 1, 2006	118,083	71,889	25,263	32,890	248,124
Additions	1,954	289	4,894	1,890	9,027
Disposals	-	(150)	-	-	(150)
At December 31, 2006	**120,037**	**72,028**	**30,157**	**34,780**	**257,001**
DEPRECIATION					
At January 1, 2006	9,432	64,644	20,973	21,283	116,332
Charge for the year	2,401	1,582	2,210	4,845	11,038
Disposal adjustments	-	(150)	-	-	(150)
At December 31, 2006	**11,833**	**66,076**	**23,183**	**26,128**	**127,220**
NET BOOK VALUE					
At December 31, 2006	**108,204**	**5,952**	**6,974**	**8,652**	**129,781**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	THE COMPANY				
	Freehold land & buildings Rs'000	Furniture, fixtures & fittings Rs'000	Computer equipment Rs'000	Motor vehicles Rs'000	Total Rs'000
COST					
At January 1, 2005	118,083	71,256	24,826	28,305	242,470
Additions	-	632	790	9,322	10,744
Disposals	-	-	(354)	(4,736)	(5,090)
At December 31, 2005	118,083	71,888	25,262	32,891	248,124
DEPRECIATION					
At January 1, 2005	7,070	62,610	19,573	19,776	109,029
Charge for the year	2,362	2,035	1,693	5,772	11,862
Disposal adjustment	-	-	(294)	(4,265)	(4,559)
At December 31, 2005	9,432	64,645	20,972	21,283	116,332
NET BOOK VALUE					
At December 31, 2005	108,651	7,243	4,290	11,608	131,792

Notes to the Financial Statements – Year ended December 31, 2006

6. INVESTMENT PROPERTY - LAND AND BUILDINGS

	THE GROUP	THE COMPANY
	Total	Total
	Rs'000	Rs'000
COST		
At January 1, 2006	390,040	321,704
Additions	30,676	30,649
Disposals	(1,415)	(1,415)
At December 31, 2006	**419,301**	**350,938**
DEPRECIATION		
At January 1, 2006	19,195	17,354
Charge for the year	6,331	6,192
Disposal adjustment	(57)	(57)
At December 31, 2006	**25,469**	**23,489**
NET BOOK VALUE		
At December 31, 2006	**393,832**	**327,449**
COST		
At January 1, 2005	326,091	257,781
Additions	64,756	64,730
Disposals	(807)	(807)
At December 31, 2005	390,040	321,704
DEPRECIATION		
At January 1, 2005	13,452	11,751
Charge for the year	5,743	5,603
At December 31, 2005	19,195	17,354
NET BOOK VALUE		
At December 31, 2005	370,845	304,350

6. INVESTMENT PROPERTY - LAND AND BUILDINGS (continued)

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

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At December 31, 2006	647,768	620,432

The investment property were revalued in October 2005 by International Valuers Limited, on an open market value basis. Investment property are revalued every three years.

The following have been recognised in the Life Assurance Fund.

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	**34,146**	25,778	**26,786**	23,353
Direct operating expenses	**15,946**	13,916	**14,578**	12,943

7. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY
	2006			**2006**
	Goodwill	**Computer Softwares**	**Total**	**Computer Softwares**
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January 1,	**21,444**	**4,801**	**26,245**	**1,215**
Additions	**684**	**310**	**994**	**310**
At December 31,	**22,128**	**5,111**	**27,239**	**1,525**
AMORTISATION				
At January 1,	**-**	**922**	**922**	**405**
Charge for the year	**-**	**1,216**	**1,216**	**509**
At December 31,	**-**	**2,138**	**2,138**	**914**
NET BOOK VALUE	**22,128**	**2,973**	**25,101**	**611**

	THE GROUP			THE COMPANY
	2005			2005
	Goodwill	**Computer Softwares**	**Total**	**Computer Softwares**
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At January 1,				
- as previously reported	23,800	3,586	27,386	-
- adjustments	(2,356)	-	(2,356)	-
- as restated	21,444	3,586	25,030	-
Additions	-	1,215	1,215	1,215
At December 31,	21,444	4,801	26,245	1,215
AMORTISATION				
Charge for the year	-	922	922	405
NET BOOK VALUE	21,444	3,879	25,323	810

8. INVESTMENTS IN SUBSIDIARY COMPANIES - AT COST

	THE COMPANY	
	2006	2005
	Rs'000	Rs'000
(a) UNQUOTED		
At January 1,	**125,724**	125,724
Additions	**614**	-
At December 31,	**126,338**	125,724
Made up as follows:		
Investments	**124,163**	123,549
Loan to subsidiary company	**2,175**	2,175
	126,338	125,724

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

Name of subsidiary	Class of shares held	Nominal value of investment		Proportion of ownership interest and voting power held		Main business
		2006	2005	**2006**	2005	
		Rs'000	Rs'000	**%**	%	
• Swan Properties Ltd	Ordinary	**2,114**	2,114	**100%**	100%	• Purchase, development and sale of land
• Verdun Industrial Building Co. Ltd	"	**19,999**	19,999	**100%**	100%	• Rental of industrial buildings
• Standard Property Ltd	"	**31**	31	**100%**	100%	• Rental of property
• Manufacturers' Distributing Station Ltd	"	**47,686**	47,686	**99.80%**	99.80%	• Investment Company
• Ilot Fortier Ltd	"	**-**	-	**100%**	100%	• Purchase, development and sale of Land (Dormant)
• Investment and Administrative Co. (Mtius) Ltd	"	**21,514**	21,514	**100%**	100%	• Investment Company (Dormant)
• Themis Ltd	"	**8,380**	8,380	**100%**	100%	• Purchase, development and sale of Land (Dormant)
• Pension Consultant and Administrators Ltd	"	**25,000**	25,000	**100%**	100%	• Pension and fund administration
• The Anglo-Mauritius Financial Services Ltd	"	**1,000**	1,000	**100%**	100%	• Fund management and investment consulting
• Swan International Ltd	"	**114**	-	**49%**	-	• Reinsurance brokers and consultants
• Swan Group Corporate Services Ltd	"	**500**	-	**50%**	-	• Provide secretarial services to Swan Group
• Société de la Croix	Parts	**-**	-	**100%**	100%	• Investment entity
• Société de la Montagne	Parts	**-**	-	**100%**	100%	• Investment entity
• Société de la Rivière	Parts	**-**	-	**100%**	100%	• Investment entity

(c)The Company owns 100% of the issued capital of Ilot Fortier Ltd through Investment and Administrative Company (Mauritius) Limited and the three above-named sociétés through Manufacturers' Distributing Station Limited.

(d) All conditions precedent relating to the investment in Seychelles Assurance Co. Ltd. (SACL) by Swan International Ltd, a subsidiary of the Company were not fulfilled at December 31, 2006. Consequently this investment will be accounted for in the 2007 financial statements upon completion of the transaction.

9. FINANCIAL ASSETS

	THE GROUP AND THE COMPANY			
	2006			2005
	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
(a) Local Securities				
At January 1,	**2,266,751**	**3,321,591**	**5,588,342**	4,958,677
Additions	**2,858,851**	**72,677**	**2,931,528**	1,357,741
Increase in fair value	**-**	**1,100,238**	**1,100,238**	691,587
Disposals	**(1,909,143)**	**(85,271)**	**(1,994,414)**	(1,373,611)
Accrued interest	**(35,829)**	**-**	**(35,829)**	(46,052)
At December 31,	**3,180,630**	**4,409,235**	**7,589,865**	5,588,342

	Held-to-maturity Rs'000	Available-for-sale Rs'000	Total Rs'000	Total Rs'000
(b) Foreign Securities				
At January 1,	**-**	**1,290,103**	**1,290,103**	789,843
Additions	**-**	**507,270**	**507,270**	621,095
Increase in fair value	**-**	**334,867**	**334,867**	150,838
Disposals	**-**	**(290,612)**	**(290,612)**	(271,673)
At December 31,	**-**	**1,841,628**	**1,841,628**	1,290,103
Total	**3,180,630**	**6,250,863**	**9,431,493**	6,878,445

Analysed as follows:

	2006 Rs'000	2005 Rs'000
Non-current	**7,318,198**	5,066,231
Current	**2,113,295**	1,812,214
	9,431,493	6,878,445

(c) Held-to-maturity investments comprise of Mauritius Government Securities, Listed and Unquoted Debenture Stocks and Treasury Bills with interest rates varying from 7.29% to 13% (2005: 5.64% to 7.38%).

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

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

Company Names	Class of shares held	Proportion Held 2006 %	2005 %
Cathedral Development Ltd	Ordinary	**20.0**	20.0
Ireland Blyth Ltd	Ordinary	**13.4**	13.3
Le Refuge du Pêcheur Ltd	Ordinary	**13.0**	10.0
Maurilait Production Ltée	Preference	**14.9**	14.9
Mauritius Freeport Development Co. Ltd	Ordinary	**10.0**	10.0
Mauritius Venture Capital Fund Ltd	Ordinary	**10.0**	10.0
Mauvilac & Co. Ltd	Ordinary	**-**	16.9
Mauvilac Industries Ltd	Ordinary	**-**	19.3
Sugar World Ltd	Ordinary	**13.7**	13.7
Standard Continuous Stationery Ltd	Ordinary	**20.5**	20.5
Tropical Paradise Co. Ltd	Ordinary	**11.7**	11.7
Pristine Resorts Ltd	Ordinary	**13.8**	13.8
Belle Mare Holdings Ltd	Ordinary	**11.8**	11.8
Northfield International	Ordinary	**12.5**	12.5
Société Le Plessis	Parts	**20.6**	20.6

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

10. LOANS AND RECEIVABLES

	THE GROUP AND THE COMPANY	
	2006	2005
	Rs'000	Rs'000
Loans on policies	**92,700**	89,315
Loans on residential properties	**2,108,116**	2,147,652
Loans on business properties	**203,296**	217,527
Cumulative accrued interest	**103,907**	99,075
	2,508,019	2,553,569
Loans to related corporations	**19,042**	19,042
	2,527,061	2,572,611
Analysed as follows:-		
Non-current	**2,318,957**	2,367,812
Current	**208,104**	204,799
	2,527,061	2,572,611

(a) The rate of interest on loans vary from 7% to 13.25% (2005: 8.75% to 11.75%).

11. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
• Receivables arising from insurance and reinsurance contracts:				
- Due from contract holders - Individuals	**15,224**	14,424	**15,224**	14,424
- Schemes	**32,697**	23,770	**32,697**	23,770
• Interest and other receivables	**65,836**	50,784	**58,636**	45,430
• Receivables from related parties:				
- Holding Company	**9,302**	10,865	**9,302**	10,865
- Subsidiary Companies	**-**	-	**5,555**	5,815
	123,059	99,843	**121,414**	100,304

12. SHORT-TERM DEPOSITS

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short-term deposits (see note (a) & 28(b))	**1,854,180**	1,574,242	**1,854,180**	1,574,242

(a) Short-term deposits comprise of foreign deposits, moneys-at-call and savings accounts. The rates of interest vary between 2% to 12% (2005: 1% to 12%).

13. SHARE CAPITAL

	Authorised 2006 & 2005 Rs'000	Issued and fully paid 2006 & 2005 Rs'000
2,500,000 ordinary shares of Rs 10.- each	25,000	25,000

14. MINORITY INTEREST

	THE GROUP	
	2006	2005
	Rs'000	Rs'000
At January 1,	**108**	104
Share of net surplus for the year	**73**	9
Share of dividends of subsidiary companies	**(4)**	(5)
At December 31,	**177**	108

15. LIFE ASSURANCE FUND

	THE GROUP					
	2006					2005
	Non-Linked	**Linked**	**Reserves of subsidiaries**	**Fair value reserve**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
(a)						
At January 1,	**8,141,946**	**1,186,562**	**8,424**	**2,136,136**	**11,473,068**	9,762,358
Surplus on Life Assurance Fund						
for the year (Pages 39 & 40)	**960,042**	**516,142**	**-**	**-**	**1,476,184**	873,564
Profit/(loss) from subsidiaries	**-**	**-**	**250**	**-**	**250**	(5,098)
Release from fair value reserve	**-**	**-**	**-**	**(115,345)**	**(115,345)**	(66,965)
Fair value changes on available-for-sale						
financial assets	**-**	**-**	**-**	**1,550,449**	**1,550,449**	909,390
At December 31,	**9,101,988**	**1,702,704**	**8,674**	**3,571,240**	**14,384,606**	11,473,068

	THE COMPANY				
	2006				2005
	Non - Linked	**Linked**	**Fair value reserve**	**Total**	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	Rs'000
(b)					
At January 1,	**8,142,127**	**1,186,562**	**2,136,136**	**11,464,825**	9,748,836
Surplus on Life Assurance Fund					
for the year (pages 39 & 40)	**960,042**	**516,142**	**-**	**1,476,184**	873,564
Release from fair value reserve	**-**	**-**	**(115,345)**	**(115,345)**	(66,965)
Fair value changes on available-for-sale					
financial assets	**-**	**-**	**1,550,449**	**1,550,449**	909,390
At December 31,	**9,102,169**	**1,702,704**	**3,571,240**	**14,376,113**	11,464,825

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

16. BORROWINGS

	THE GROUP	
	2006	2005
	Rs'000	Rs'000
Non-current - other loan	**-**	90

The above loan was unsecured, interest free with no fixed repayment terms.

17. DEFERRED TAX LIABILITIES

Deferred taxes are calculated on all temporary differences under the liability method at 15%-22.5% (2005: 15% - 25%). The movement on the deferred tax account is as follows:

	THE GROUP	
	2006	2005
	Rs'000	Rs'000
At January 1,	**1,493**	1,577
Movement for the year	**(21)**	(84)
At December 31,	**1,472**	1,493

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

18. RETIREMENT BENEFIT OBLIGATIONS

(a) The amounts recognised in the Balance Sheet are as follows:

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations (note (d))	**102,157**	105,896	**100,465**	104,625
Fair value of plan assets	**(1,818)**	(1,373)	**-**	-
	100,339	104,523	**100,465**	104,625
Unrecognised actuarial losses	**(11,143)**	(13,626)	**(11,214)**	(13,664)
At December 31,	**89,196**	90,897	**89,251**	90,961

(b) The amounts recognised in the Life Assurance Fund are as follows:

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**4,286**	4,524	**4,160**	4,443
Interest cost	**10,220**	9,254	**10,071**	9,194
Expected return on plan assets	**(163)**	(62)	**-**	-
Actuarial losses	**213**	107	**213**	107
Total included in staff costs (note 25(a))	**14,556**	13,823	**14,444**	13,744
Benefits paid	**(19,370)**	(5,896)	**(16,154)**	(5,896)
Total included in Life Assurance Fund	**(4,814)**	7,927	**(1,710)**	7,848

(c) Movement in the liability recognised in the Balance Sheet:

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
At January 1,	**90,897**	83,113	**90,961**	83,113
Total expense/(income) as above	**4,814**	7,927	**(1,710)**	7,848
Contributions paid	**(125)**	(143)	**-**	-
At December 31,	**95,586**	90,897	**89,251**	90,961

Retirement Benefit Obligations have been provided for, based on the reports of the Actuaries of the Company.

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

(d) Present value of funded obligations

	2006 Rs'000	2005 Rs'000
At January 1,	**104,625**	94,133
Current service	**4,160**	4,443
Interest cost	**10,071**	9,194
Actuarial gains	**(2,237)**	2,751
Benefits paid	**(16,154)**	(5,896)
At December 31,	**100,465**	104,625

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

	2006	2005
Discount rate	**10%**	10%
Future long-term salary increase	**8%**	8%
Future expected pension increase	**-**	-

19. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2006 Rs'000	2005 Rs'000	**2006 Rs'000**	2005 Rs'000
• Trade payables:				
- Insurance contracts	**13,179**	10,837	**13,179**	9,988
- Outstanding claims provisions	**10,101**	6,972	**10,101**	6,972
• Other payables and accruals	**49,962**	67,736	**47,484**	62,824
• Amounts due to related parties:				
- Holding company	**-**	2,573	**-**	490
- Subsidiary companies	**-**	-	**704**	6,796
	73,242	88,118	**71,468**	87,070

20. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2006 Rs'000	2005 Rs'000	**2006 Rs'000**	2005 Rs'000
Current tax on the adjusted profit for the year at 15%-22.5% (2005: 15%-25%)	**6,493**	4,907	**5,000**	3,850
Under/(overprovision) in previous year	**12,868**	(11,908)	**12,294**	(11,980)
Movement in deferred tax	**(21)**	(84)	**-**	-
Tax Charge / (Credit) for the year	**19,340**	(7,085)	**17,294**	(8,130)

21. TURNOVER

Turnover represents premiums receivable (net of reinsurance) and consideration for annuities made up as follows:-

	THE GROUP AND THE COMPANY			
		2006		2005
	Non-Linked Rs'000	**Linked Rs'000**	**Total Rs'000**	Total Rs'000
Net insurance premiums	**860,817**	**425,585**	**1,286,402**	1,056,168
Consideration for annuities	**193,958**	**-**	**193,958**	133,244
	1,054,775	**425,585**	**1,480,360**	1,189,412

22. INVESTMENT INCOME

	THE GROUP				THE COMPANY			
	2006			2005	2006			2005
	Non-Linked	Linked	Total	Total	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	**456,715**	**93,205**	**549,920**	442,931	**456,715**	**93,205**	**549,920**	451,558
Dividend income	**148,012**	**22,779**	**170,791**	154,357	**153,483**	**22,779**	**176,262**	154,357
	604,727	**115,984**	**720,711**	597,288	**610,198**	**115,984**	**726,182**	605,915

23. OTHER INCOME

	THE GROUP AND THE COMPANY			
	2006			2005
	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of financial assets	**150,260**	**44,567**	**194,827**	86,311
Profit on disposal of property and equipment	**21**	**-**	**21**	1,095
Profit on disposal of investment property	**279**	**-**	**279**	821
	150,560	**44,567**	**195,127**	88,227

24. DEATH AND DISABLEMENT INSURANCE CLAIMS

	THE GROUP AND THE COMPANY			
	2006			2005
	Non-Linked	Linked	Total	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross death and disablement insurance claims	**79,882**	**315**	**80,197**	57,790
Recoverable from reinsurers	**(28,057)**	**-**	**(28,057)**	(14,321)
Net death and disablement insurance claims	**51,825**	**315**	**52,140**	43,469

25. MARKETING AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Marketing and administrative expenses include:				
- Internal auditors' fees	**592**	-	**592**	-
- Staff costs (see note (a) below)	**93,407**	86,108	**86,588**	81,282
(a) Analysis of staff costs:				
Salaries and wages	**62,687**	60,633	**57,116**	56,432
Retirement benefit obligations:				
- defined benefit plan (note 18(b))	**14,556**	13,823	**14,444**	13,744
- defined contribution plan	**162**	115	**-**	-
Other costs	**16,002**	11,537	**15,028**	11,106
	93,407	86,108	**86,588**	81,282

26. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2006	2005
	Rs'000	Rs'000
Dividends paid - Rs.15.40 per ordinary share (2005 - Rs.15.40)	**38,500**	38,500

27. EARNINGS PER SHARE

		THE GROUP AND THE COMPANY	
		2006	2005
		Rs'000	Rs'000
Earnings attributable to shareholders is based on:			
- Amount transferred from Life Assurance Fund		**30,428**	30,428
- Interest allocated		**7,546**	7,187
		37,974	37,615
Number of ordinary shares in issue		**2,500,000**	2,500,000
Earnings per share	Rs.	**15.19**	15.05

The above amount of Rs.**30.4**m (2005: Rs.30.4m) represents one-third of the total amount transferred from the Life Assurance Fund to the Proprietors' Fund following the actuarial valuation at December 31, 2004.

28. NOTES TO THE CASH FLOW STATEMENTS

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash generated from operations				
Surplus on Life Assurance Fund	**1,495,769**	952,666	**1,493,478**	956,719
Adjustments for:				
Depreciation on property and equipment (note 5)	**11,778**	12,650	**11,038**	11,862
Depreciation on investment property (note 6)	**6,331**	5,743	**6,192**	5,603
Amortisation of intangible assets (note 7)	**1,216**	922	**509**	405
Profit on sale of property and equipment (note 23)	**(21)**	(1,095)	**(21)**	(1,095)
Profit on sale of investment property (note 23)	**(279)**	(821)	**(279)**	(821)
Interest allocated to Proprietors' Fund	**7,546**	7,187	**7,546**	7,187
Investment income (note 22)	**(720,711)**	(597,288)	**(726,182)**	(605,915)
Net gain on exchange	**(222,218)**	(16,195)	**(222,218)**	(16,195)
Profit on sale of financial assets (note 23)	**(194,827)**	(86,311)	**(194,827)**	(86,311)
Change in accrued interest	**30,997**	46,052	**30,997**	46,052
Changes in working capital (excluding the effects of acquisition and disposal):				
- Trade and other receivables	**(10,173)**	(2,147)	**(7,806)**	(5,125)
- Trade and other payables	**(14,876)**	15,801	**(15,602)**	11,314
Retirement benefit obligations	**(1,701)**	7,784	**(1,710)**	7,848
Cash generated from operations	**388,831**	344,948	**381,115**	331,528

(b) Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short-term deposits (note 12)	**1,854,180**	1,574,242	**1,854,180**	1,574,242
Cash at bank and in hand	**88,540**	54,888	**74,724**	40,601
	1,942,720	1,629,130	**1,928,904**	1,614,843

29. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2006	2005
	Rs'000	Rs'000
Outstanding commitments approved by the Board of Directors for the following:-		
Loans to be granted	**110,500**	121,300
Investments in freehold properties	**18,300**	17,600
Investments in financial assets	**85,000**	21,200
	213,800	160,100

30. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The Directors regard Swan Insurance Company Limited which owns 70.98% of the Company's share capital, as the Holding Company. The remaining shares are widely held. The Ultimate Holding Company is Intendance Holding Limited which owns 67.55% of the Holding Company with the remaining shares also widely held.

The Companies are incorporated in Mauritius and their registered offices are situated at Swan Group Centre, Intendance Street, Port Louis.

31. RELATED PARTY TRANSACTIONS

	THE GROUP					
	Sales of services Rs'000	**Investment income Rs'000**	**Financial assets Rs'000**	**Loans/ Debentures Rs'000**	**Amount receivable from related parties Rs'000**	**Amount payable to related parties Rs'000**
(a)						
2006						
Holding company	**-**	**-**	**-**	**-**	**9,302**	**704**
Shareholders with significant influence	**22,027**	**10,184**	**10,966**	**70,261**	**-**	**542**
Enterprises that have a number of Directors in common	**45**	**-**	**-**	**-**	**-**	**-**
Enterprises on which the Company and Subsidiaries exert significant influence	**35,782**	**524**	**388,745**	**23,292**	**-**	**-**
Key management personnel	**-**	**-**	**-**	**36,415**	**-**	**-**
	57,854	**10,708**	**399,711**	**129,968**	**9,302**	**1,246**

	Sales of services Rs'000	Investment income Rs'000	Financial assets Rs'000	Loans/ Debentures Rs'000	Debtors Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2005							
Holding company	-	-	-	-	-	10,865	490
Shareholders with significant influence	13,328	10,453	10,855	80,707	5,693	-	-
Enterprises that have a number of Directors in common	45	148	-	-	128	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	25,554	726	445,682	24,542	646	-	-
Key management personnel	-	-	-	13,728	-	-	-
	38,927	11,327	456,537	118,977	6,467	10,865	490

31. RELATED PARTY TRANSACTIONS (continued)

	THE COMPANY						
	Sales of services Rs'000	Investment Income Rs'000	Management fees paid Rs'000	Financial assets Rs'000	Loans/ Debentures Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
(b)							
2006							
Holding company	-	-	-	-	-	9,302	-
Subsidiary companies	-	-	4,905	126,338	-	5,555	704
Shareholders with significant influence	22,027	10,184	-	10,966	70,261	-	542
Enterprises that have a number of Directors in common	45	-	-	-	-	-	-
Enterprises on which the Company exerts significant influence	35,782	524	-	388,745	23,292	-	-
Key management personnel	-	-	-	-	36,415	-	-
	57,854	**10,708**	**4,905**	**526,049**	**129,968**	**14,857**	**1,246**

	Sales of services Rs'000	Investment Income Rs'000	Management fees paid Rs'000	Financial assets Rs'000	Loans/ Debentures Rs'000	Debtors Rs'000	Amount receivable from related parties Rs'000	Amount payable to related parties Rs'000
2005								
Holding company	-	-	-	-	-	-	10,865	490
Subsidiary companies	-	-	4,032	125,724	-	-	5,815	6,796
Shareholders with significant influence	13,328	10,453	-	10,855	80,707	5,693	-	-
Enterprises that have a number of Directors in common	45	148	-	-	-	128	-	-
Enterprises on which the Company exerts significant influence	25,554	726	-	445,682	24,542	646	-	-
Key management personnel	-	-	-	-	13,728	-	-	-
	38,927	11,327	4,032	582,261	118,977	6,467	16,680	7,286

	THE GROUP		THE COMPANY	
	2006 Rs'000	2005 Rs'000	**2006 Rs'000**	2005 Rs'000
(c) Key management personnel compensation				
Salaries and short-term employee benefits	**28,883**	28,751	**27,529**	27,609
Post-employment benefits - current service costs	**1,632**	1,832	**1,535**	1,754
- others	**49**	48	**43**	43
	30,564	30,631	**29,107**	29,406

32. THREE YEAR FINANCIAL REVIEW

	THE GROUP			THE COMPANY		
	2006 Rs'000	2005 Rs'000	2004 Rs'000	**2006 Rs'000**	2005 Rs'000	2004 Rs'000
Issued and paid up Share Capital	**25,000**	25,000	25,000	**25,000**	25,000	25,000
Proprietors' Fund	**34,219**	65,173	5,201	**34,219**	65,173	5,201
Life Assurance Fund	**14,384,612**	11,473,068	9,762,358	**14,376,113**	11,464,825	9,748,836
Dividends	**38,500**	38,500	38,500	**38,500**	38,500	38,500
Earnings attributable to shareholders	**37,974**	37,615	32,320	**37,794**	37,615	32,320

Other Statutory Disclosures – Year ended December 31, 2006

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS OF THE COMPANY

Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. M. J. Cyril LAGESSE
Mr. P. Arnaud DALAIS, Diplôme Universitaire en Gestion des Entreprises
Mr. Jean de FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Me. Pierre DOGER DE SPÉVILLE
Mr. George John DUMBELL, A.C.I.B. (U.K.)
Mr. M.M. Hector ESPITALIER-NOËL, A.C.A.
Mr. Henri HAREL, A.C.I.S.
Mr. Thierry LAGESSE, M.B.A. (France)
Me. M.F.I. Jean Hugues MAIGROT
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)
Mr. Peroomal Gopallen MOOROOGEN, F.C.C.A., M.B.A. (Wales)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)
Mr. Victor SEEYAVE, M.B.A. (U.S.A.), B.A. Economics (U.K.)

DIRECTORS OF SUBSIDIARY COMPANIES

Ilot Fortier Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Investment & Administrative Co. (Mtius) Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Manufacturers' Distributing Station Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) (as from 01.01.2007)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Pension Consultants and Administrators Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Standard Property Co. Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) (as from 01.01.2007)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Swan Properties Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) (as from 01.01.2007)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Other Statutory Disclosures – Year ended December 31, 2006

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS OF SUBSIDIARY COMPANIES (continued)

Swan Group Corporate Services Ltd.
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) (as from 01.01.2007)
Mr. Gerald LINCOLN
Mr. Jean Paul CHASTEAU DE BALYON

The Anglo-Mauritius Financial Services Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A (U.K.), F.A.S. (S.A.)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)
Mr. Paul ROUSSET, A.C.I.I.

Themis Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.)
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Verdun Industrial Building Co. Ltd.
Mr. M.E. Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson
Mr. Jean DE FONDAUMIÈRE, C.A. (Scotland) (up to 31.12.2006)
Mr. Louis RIVALLAND, B.Sc (Hons.) (S.A.), F.I.A. (U.K.), F.A.S. (S.A.) (as from 01.01.2007)
Mr. Gerald LINCOLN
Mr. Sulliman Adam MOOLLAN, C.P.A. (Australia), Graduate in Economics (Australia)

Other Statutory Disclosures – Year ended December 31, 2006

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION AND BENEFITS

Remuneration and benefits received or due and receivable :

- Directors of The Anglo-Mauritius Assurance Society Limited

	From the Company		From Subsidiaries	
	2006	2005	**2006**	2005
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors				
- Full-time	**9,296**	8,622	**40**	44
Non-executive Directors	**1,083**	626	**77**	48
	10,379	9,248	**117**	92

	From the Subsidiaries	
	2006	2005
	Rs'000	Rs'000
- Directors of subsidiary companies who are not directors of the Company		
- Non-executive Director	**30**	30

DONATIONS

	THE GROUP AND THE COMPANY	
	2006	2005
	Rs'000	Rs'000
Charitable donations - 17 recipients (2005: 5 recipients)	**60**	39
Others	**-**	750

CONTRACT OF SIGNIFICANCE

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

AUDITORS' FEES

The fees paid to Auditors for audit and other services were:

	2006		2005	
	Audit	**Other**	Audit	Other
	Rs'000	**Rs'000**	Rs'000	Rs'000
BDO De Chazal Du Mée				
The Anglo-Mauritius Assurance Society Ltd.	**718**	**254**	705	384
Swan Properties Ltd.	**18**	**8**	18	8
Verdun Industrial Building Company Ltd.	**13**	**8**	13	8
The Anglo-Mauritius Financial Services Ltd.	**25**	**8**	25	8
Pension Consultants and Administrators Ltd	**45**	**8**	45	8
	819	**286**	806	416
Other Auditors				
Société de la Montagne	**23**	**3**	23	3
Société de la Croix	**23**	**3**	23	3
Société de la Rivière	**23**	**3**	23	3
Manufacturers' Distributing Station Ltd.	**37**	**4**	37	4
Standard Property Company Ltd.	**23**	**-**	23	-
	129	**13**	129	13

Secretary's Certificate – Year ended December 31, 2006

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

Jean Paul CHASTEAU DE BALYON
For Swan Group Corporate Services Limited
Secretary

27th March 2007

Auditors:	BDO De Chazal Du Mée
Bankers:	Bank of Baroda Banque des Mascareignes 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:	Acturial and Insurance Solutions Department of Deloitte & Touche
Legal Advisers:	De Comarmond-Koenig Benoit Chambers
Main Reinsurers:	Swiss Re Life & Health Limited Munich Mauritius Reinsurance Co. Ltd.

Proxy Form

THE ANGLO-MAURITIUS ASSURANCE SOCIETY LTD.

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 22nd June 2007 at 10.15 hours and at any adjournment thereof:

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

	FOR	AGAINST	ABSTAIN
3. To consider and approve the Audited Financial Statements of the Company and the Group for the year ended 31st December 2006.			
4. To re-appoint BDO De Chazal du Mée as Auditors of the Company 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.			
6. To re-elect Me. M.F.I. Hugues Maigrot 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 ……………….…. 2007.

(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.