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Our Vision



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

Our Values



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

Notice of Annual Meeting to Shareholders

Notice is hereby given that the **Annual Meeting** of the Shareholders of the Company will be held on **Wednesday 1st June 2005 at 10.45 hours**, on the 6th floor of the Swan Group Centre, Intendance Street, Port Louis to transact the following business:

1. To receive the Chairperson's Statement and Directors' Report.
2. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2004.
3. To re-appoint BDO De Chazal du Mée & Co. as Auditors of the Company until the conclusion of the next Annual Meeting and authorise the Board of Directors to fix their remuneration.
4. 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.
5. To elect as Directors of the Company Messrs. Henri Harel, Sulliman Adam Moollan, Victor Seeyave, Jean de Fondaumière and Louis Rivalland.

Each of the above-named shall be elected by a separate resolution.

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

15th April 2005
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, 2004

Dear Shareholder,

The Board of Directors is pleased to present the Annual Report of The Anglo-Mauritius Assurance Society Limited and of the Group for the year ended December 31, 2004, contents of which are listed below:

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This report was approved by the Board of Directors on 22nd March 2005.



Cyril Mayer
Chairperson



M. J. Cyril Lagesse
Director

Principal Activities – Year ended December 31, 2004

PRINCIPAL ACTIVITIES

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

Swan Properties Ltd.	Purchase, development and sale of land
Verdun Industrial Building Co. Ltd.	Rental of industrial buildings
Standard Property 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
Société de la Croix	Investment Corporation
Société de la Montagne	Investment Corporation
Société de la Rivière	Investment Corporation

Directorate and Management – for the financial year 2004

DIRECTORS

Non-Executive

Cyril MAYER, B. Com., C.A. (S.A.) – Chairperson (as from 21 July 2004)

M. J. Cyril LAGESSE (Chairperson up to 21 July 2004)

P. Arnaud DALAIS

J. L. Philippe DE CHASTEAUNEUF, F.A.I.A. (resigned on 31 December 2004)

Me. Pierre DOGER DE SPÉVILLE

M. M. Hector ESPITALIER-NOËL, A.C.A.

Henri HAREL, A.C.I.S. (as from 22 March 2005)

Thierry LAGESSE, M.B.A.

Me. M. F. I. Jean Hugues MAIGROT

Independent Non-Executive

Sullivan Adam MOOLLAN, C.P.A. - Australia, Graduate in Economics (Australia) (as from 22 March 2005)

Victor SEYAVE, M.B.A., U.S.A., - B.A. Economics, U.K. (as from 22 March 2005)

Executive

Jean DE FONDAUMIÈRE, C.A. – Group Chief Executive (Appointed Director as from 22 March 2005)

Louis RIVALLAND, B.Sc. (Hons.), F.I.A. – Group Chief Operations Officer (Appointed Director as from 22 March 2005)

Group Company Secretary

Jean Paul CHATEAU DE BAYON

Consultants to the Group Chief Executive

Josie LAPIERRE, M.S.G., D.E.A., F.C.M.I.

Gérald LINCOLN



Cyril MAYER



M. J. Cyril LAGESSE



P. Arnaud DALAIS



J. L. Philippe DE CHASTEAUNEUF



Jean DE FONDAUMIÈRE



Me. Pierre DOGER DE SPÉVILLE



M. M. Hector ESPITALIER-NOËL



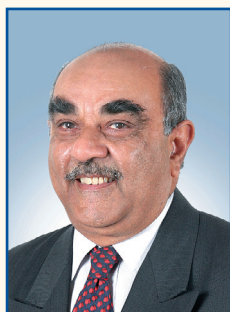
Henri HAREL



Thierry LAGESSE



Me. M. F. I. Jean Hugues MAIGROT



Sulliman Adam MOOLLAN



Louis RIVALLAND



Victor SEEYAVE

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

Managing Director of Harel Frères Limited.

Positions presently held on sugar sector institutions:

Board Member of the Mauritius Sugar Industry Research Institute

Main Committee Member of the Mauritius Sugar Syndicate

Executive Committee Member of the Mauritius Sugar Producers' Association

Has also served on the Joint Economic Council 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

Member of the National Economic and Social Council

Directorships of listed Companies:

- Harel Mallac & Co. Ltd.
- Mon Trésor and Mon Désert Ltd. (Non-executive Chairperson)
- Swan Insurance Co. Ltd. (Non-executive Chairperson)

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" ("CIDL") in the early 1970's.

Mr. Lagesse also sits on the Board of several of the country's most prestigious companies.

Directorships of listed Companies:

- Mauritius Stationery Manufacturers Ltd.
- Sun Resorts Limited
- The Mauritius Commercial Bank Ltd.
- United Basalt Products Ltd.
- Swan Insurance Co. Ltd.

Directorate and Management (continued) – for the financial year 2004

P. Arnaud DALAIS, Diplôme Universitaire en Gestion des Entreprises

Group Chief Executive of CIEL Group.

Directorships:

- CIEL Textile Ltd. (Chairperson)
- Deep River-Beau Champ Ltd. and its subsidiaries
- CIEL Investment Ltd.
- Ireland Blyth Ltd. (Listed)
- Sun Resorts Ltd. (Listed)
- United Basalt Products Ltd. (Listed)
- Swan Insurance Co. Ltd. (Listed)

Former Chairperson of the following private sector organisations:

- The Mauritius Chamber of Agriculture (1996/1997)
- The Mauritius Sugar Syndicate (1999/2000)
- Joint Economic Council (2000/2002)

J. L. Philippe DE CHASTEAUNEUF, F.A.I.A.

Former Financial Director of Harel Frères Ltd. Retired on 31st December 2004.

Directorships of listed Companies:

- The Mount S. E. Co. Ltd. (Non-executive Chairperson)

Former Directorships of Listed Companies:

- Harel Mallac & Co. Ltd.
- The Mauritius Chemical & Fertilizer Industry Ltd.
- Harel Frères Ltd.
- Swan Insurance Co. Ltd.

Me. Pierre DOGER DE SPÉVILLE

Notary Public from August 1965 up to June 1997.

Directorships:

- The Médine Sugar Estates Co. Ltd. (as from 25 September 1979)
- The Médine Group of Companies (as from 1st July 1999) (Chairperson)
- International Distillers (Mauritius) Ltd. (as from 9 February 2000)
- New Goodwill Co. Ltd. (as from 29 July 2001)
- Happy World Foods Ltd. (as from 5 December 2002) (Listed)
- Swan Insurance Co. Ltd. (Listed)

M. M. Hector ESPITALIER-NOËL, A.C.A.

Chief Executive of The Espitalier-Noël Group.

Directorships of listed Companies:

- New Mauritius Hotels (Non-executive Chairperson)
- Rogers & Co. Ltd. (Non-executive Chairperson)
- Swan Insurance Co. Ltd.

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:

- Sugar Industry Pension Fund
- Swan Insurance Co. Ltd. (Listed)
- Harel Frères Ltd.

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

Founder and Executive Chairperson of Palmar Group of Companies.

Directorships:

- Companhia de Sena ([Chairperson](#))
- Parabole Réunion SA ([Chairperson](#))
- FUEL Group ([Chairperson](#))
- Deep River-Beau Champ Ltd.
- CIEL Group
- Ireland Blyth Ltd. (Listed) ([Chairperson](#))
- United Basalt Products Ltd. (Listed) ([Chairperson](#))
- Sun Resorts Ltd. (Listed)
- Swan Insurance Co. Ltd. (Listed)

Member of the Mauritius Chamber of Agriculture

Former Chairperson of the Mauritius Export Processing Zone Association (MEPZA) - (1995).

Me. M. F. I. Jean Hugues MAIGROT

Notary Public since 1971.

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

Directorships:

- Compagnie de Beau Vallon Limitée
- Compagnie du Chemin Français Limitée
- Compagnie Sucrière de Riche-en-Eau Limitée
- Rey & Lenferna Limited
- Mon-Trésor & Mon-Désert Limited (Listed)
- Harel Frères Limited (Listed) ([Non-executive Chairperson](#))

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

Managing Director of ASMO Securities and Investments Ltd.

Directorships:

- Stock Exchange of Mauritius ([Vice Chairperson](#))
- Central Depository Settlement Co. Ltd. ([Chairperson](#))
- Médine S.E. Ltd.
- Swan Insurance Co. Ltd. (Listed)

Victor SEEYAVE, M.B.A., U.S.A. - B.A. Economics, U.K.

Managing Director of Altima Ltd.

Directorships:

- Happy World Foods Ltd. (Listed)
- Swan Insurance Co. Ltd. (Listed)

Directorate and Management (continued) – for the financial year 2004

Operations Executive

Mark WHATLEY, B.Sc. (Hons.), F.I.A. – Actuarial and Long Term Operations

Senior Managers

J. Raymond AVRILLON, M.B., F.R.C.S. – Chief Medical Officer
Suzanne CHUNG TAK LUN – Group Information Technology
Robert GALLET – Senior Manager
Alan GODER – Senior Manager
Paul LAM KWONG HING, A.C.I.I. – Pensions
Maxime REY – Group Finance
George SUI TIT TONG, A.C.I.I. – Individual Business Operations

Managers

Paulette CHUNG FAT – Personal Assistant to Group Chief Executive
Edward CUNNIAH – Claims
Patrick DE MARCY CHELIN – Loans
Sophie DECOTTER, B.Soc.Sc. – Group Human Resources
Robert GELLE – Maintenance
Eric HOODMAN, M.B.C.S. – Information Technology
Bernard KISHTOO – Pensions
Vincent LAMUSSE, M.S.G. – Investments
Herbert MADANAMOOTHO, Maitrise de Droit – Legal
Jean-Claude NG CHEONG HIN – Accountant
Carlo POLIAH, Dip. (Bus. & Fin.) – Individual Business Marketing

Senior Management Team Profile

Jean DE FONDAUMIÈRE, C.A.

Group Chief Executive

Chartered Accountant (C.A.), Scotland

Qualified in 1980, Jean de Fondaumière (51) served in managerial positions at PriceWaterhouse, Kleinwort Benson and Security Pacific, Sydney, Australia from 1981 to 1991 in the fields of audit and merchant banking.

He joined The Anglo-Mauritius Assurance Society Ltd. in 1992 as Assistant Managing Director. He was appointed General Manager and Chief Executive Officer of The Anglo-Mauritius Assurance Society Ltd. in 1993 and 1994 respectively and Group Chief Executive of the Swan Group namely Swan Insurance Company Ltd. (Swan Insurance) and The Anglo-Mauritius Assurance Society Ltd. (Anglo-Mauritius) in 1997. He is the Chairperson of the Executive Management Committee of the Swan Group since January 2005.

He has been the Chairperson of the Stock Exchange of Mauritius since 2002 (Chairperson of the Corporate Governance Committee) and of Mozambique Capital Partners Ltd. since 1997, a Director of Lémuria Resorts (tourism) in Seychelles since 1998 and of Sukari Investment Co. Ltd (sugar) in Tanzania since 2000. He has been a Director of South Asia Regional Fund (member of its Audit Committee) since 1997 and of Pacific Rim Palm Oil Limited since 2004.

He is a Director for the following Listed Companies:

- Belle Mare Holding Limited
- Cirne Growth Fund Limited
- Harel Frères Limited (member of the Corporate Governance Committee)
- Ireland Blyth Limited (Chairperson of the Audit Committee)
- Sun Resorts Ltd. (member and previous Chairperson of the Audit Committee)
- Swan Insurance Company Limited
- The Mauritius Development Investment Trust Co. Ltd.
- The Mount Sugar Estates Co. Ltd.
- United Docks Limited.

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

Group Chief Operations Officer

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 (34) 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 since January 2005 and is responsible for the operations of Swan Insurance and The Anglo-Mauritius. He is a member of the Executive Management Committee of the Swan Group since January 2005.

He has been elected Vice-president of the Insurers' Association since March 2003.

He is a Director for the following Listed Companies:

- Mon Désert Alma Limited (Chairperson of the Audit Committee)
- New Mauritius Hotels (member of its Audit Committee)
- The General Investment and Development Co. Ltd. (Chairperson of the Audit Committee)

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

Directorate and Management (continued) – for the financial year 2004

Senior Management Team Profile (continued)

Jean Paul CHASTEAU DE BALYON

Group Company Secretary

Member of The Chartered Insurance Institute (C.I.I.) - U.K.

Member of The Association of Company Secretaries - Mauritius

Jean Paul Chateau de Balyon (54) joined Swan Insurance in 1969 as Underwriter motor and non-motor business and was appointed Assistant Company Secretary in 1974. In 1976 he was appointed Company Secretary of Swan Insurance and was also given the responsibility of Administration and Human Resources. He was appointed Group Company Secretary of the Swan Group in January 2003.

He was 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 in 1992 and 1993
- Standardisation of the Swan Group Staff Handbook.

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). He formed part of the national delegation which took part in the WTO negotiations in Geneva in 2002 and 2003.

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

Josie LAPIERRE, M.S.G., D.E.A., F.C.M.I.

Consultant to Group Chief Executive

Group Communication, Marketing Support and Human Resources

Diplôme d'Etudes Approfondies (D.E.A.) - Strategy and Management, France

Maîtrise de Sciences de Gestion (M.S.G.), France

Fellow of the Chartered Management Institute (F.C.M.I.) - United Kingdom (U.K.)

Member of The Chartered Institute of Marketing (M.C.I.M.) - U.K., The Chartered Institute of Public Relations (M.C.I.P.R.) - U.K., The Chartered Institute of Personnel and Development (C.I.P.D.) - U.K., The Chartered Insurance Institute (C.I.I.) - U.K.

From 1991 to October 1999, Josie Lapierre (39) worked for De Chazal du Mée, one of the leading firms of chartered accountants and business consultants in Mauritius and one of the largest independent multidisciplinary professional services firm in Sub-Saharan Africa, in the Marketing and Economic Studies Department.

She was appointed Partner in July 1998 and conducted several assignments for local and international leading institutions and organisations in the Indian Ocean region and in Africa namely the World Bank, UN, UNDP, UNICEF, Southern African Development Community (SADC) among others.

She joined the Swan Group as Consultant to Group Chief Executive in November 1999. She was appointed Head of The Group Communication and Human Resources Department in March 2002 and has been responsible for The Group Communication, Marketing Support and Human Resources Department since January 2005 whereby she manages the communication, marketing support and human resources functions of the Swan Group in alignment with the corporate strategy to sustain current and organisational performance.

Her key areas of specialization are strategic management, economic and social research and analysis, marketing strategy, communication strategy and human resources management.

Gérald LINCOLN

Consultant to Group Chief Executive

Gerald Lincoln (69) 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.

He is a Director and Alternate Director of a number of Companies in the sugar, tourism and financial services sectors.

He is an Alternate Director for the following Listed Companies:

- The Mauritius Development Investment Trust Co. Ltd
- The Mount Sugar Estates Co. Ltd
- United Docks Limited.

Mark WHATLEY, B.Sc. (Hons.), F.I.A.

Operations Executive

Actuarial and Long Term Operations

B.Sc. (Hons.) Mathematics with Russian, United Kingdom (U.K.)

Fellow of the Institute of Actuaries (F.I.A.), U.K.

From August 1998 to November 2002, Mark Whatley (34) was employed by Mercer Human Resources Consulting Group, London, United Kingdom. He was appointed actuary and pensions consultant in January 2001 and was involved in a wide range of client work in terms of pension scheme rules and actuarial valuations.

From September 1994 to July 1998, he was employed by Norwich Union plc, Norwich as actuarial trainee.

He joined the Actuarial Department of The Anglo-Mauritius as Actuary in December 2002. He was responsible for managing the Actuarial Department of The Company in 2003. He has been appointed Operations Executive of The Anglo-Mauritius since January 2005 and is responsible for the Actuarial and Long Term Operations of the Swan Group.

His key areas of specialization are life assurance, pensions business and actuarial consulting.

J. Raymond AVRILLON, M.B., F.R.C.S.

Chief Medical Officer

MB, BCH, BAO (NUI), F.R.C.S.

J. Raymond Avrillon (74) qualified as an F.R.C.S. before returning to Mauritius in 1972. He retired in December 1994 after a distinguished career principally as Director of the Clinique Mauricienne in Réduit.

He also acted as Chief Medical Officer to The Anglo-Mauritius for the same period on a part time basis.

In January 1995, he joined The Anglo-Mauritius on a full time basis and established the Company's medical services department. In the ten years to December 2004 date at which he stopped working for a well earned rest, he has had a very beneficial effect on the quality of our medical service and of the Company's medical risk management.

Directorate and Management (continued) – for the financial year 2004

Senior Management Team Profile (continued)

Suzanne CHUNG TAK LUN

Senior Manager

Group Information Technology

Suzanne Chung Tak Lun (56) joined Swan Insurance in 1979 and was appointed Senior Manager of the Information Technology Department of Swan Insurance in 2000.

Since January 2005, she has been appointed Senior Manager - Group Information Technology of the Swan Group. She has thirty-five years experience in information technology with the last five years at senior management level.

She specialises in the design and implementation of systems on different platforms, especially IBM AS400.

She has developed a wide range of experience in the implementation and support of various projects:

- Commercial Systems with Mauritius Computing Services
- Government Projects with International Computers Limited & Government of Mauritius
- Sugar Industry systems with West East Limited
- Reinsurance systems with Reinsurance Company of Mauritius
- General Insurance systems with Swan Insurance Co Ltd.

Her key areas of specialization are systems analysis and design, large programmes and project management as well as relational database management systems.

Robert GALLET

Senior Manager

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 (54) 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 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

Student Member of the Institute of Actuaries

Followed various courses in IT including Unix and Visual Basic

Alan Goder (37) 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. He is responsible for managing Pension Consultants & Administrators Ltd.

His key areas of specialization are pensions administration and 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 (IIM)

Paul Lam Kwoh Hing (58) 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 (CII) examinations.

He regularly attends professional workshops relating to the insurance sector.

Maxime REY*Senior Manager**Group Finance*

Maxime Rey (52) gained audit experience at Kemp Chatteris from 1973 to 1974, and at De Chazal Du Mée from 1974 to 1977.

From 1977 to 1981, he worked as Assistant Accountant at Deep River Beau Champ Sugar Estate Ltd.

From 1981 to 1993, he worked for the Johannesburg based South African division of Kuehne and Nagel International AG, Switzerland, a worldwide transport, travel consulting and insurance brokering organisation. He held up various financial functions within that Company, reaching the position of Group Financial Controller as from 1st April 1989 and of Director as from 1st August 1992.

He joined The Anglo-Mauritius Assurance Society Limited, part of the Swan Group, as Financial Controller as from 1st November 1993. He cumulated the responsibilities of heading the Loans and Legal Departments as from January 2003, and that of Deputy Money Laundering Reporting Officer (MLRO) as from December 2003.

Since January 2005, he has been appointed Senior Manager - Group Finance and heads the Finance Department of the Swan Group.

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

Associate of the Chartered Insurance Institute (A.C.I.I.) - United Kingdom (U.K.)

Chartered Insurer - U.K.

Member of the Insurance Institute of Mauritius (IIM)

George Sui Tit Tong (57) joined The Anglo-Mauritius as Clerk in January 1968. He was appointed Superintendent in the Individual and Group Non-Pension Department in July 1985 and Manager of the Individual Business Operations Department in 1994.

He was promoted to Senior Manager in July 2004 and has been responsible for the overall activities of the Individual Business Operations Department of The Company for several years now.

His key area of specialization is the underwriting of life insurance business. He regularly attends professional workshops relating to life underwriting in Mauritius and overseas.

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 for the year ended 31st December 2004.

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. 10.0 billion and the Life Assurance Fund reached Rs. 9.8 billion at 31st December 2004.

The Company manages both locally and internationally an investment portfolio which consists of equities at market value of Rs. 3.4 billion and debenture stocks at market value of Rs. 53.0 million at 31st December 2004.

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. 221.6 million at 31st December 2004.

Benefits paid to policyholders, beneficiaries and annuitants amounted to Rs. 500.0 million for the year ended 31st December 2004.

Market capitalisation of the Company on the Mauritian Stock Exchange at 31st December 2004 was Rs. 600 million.

LEGAL AND REGULATORY FRAMEWORK

After extensive consultation with the stakeholders and the Industry at large, a new Insurance Act, which repeals the existing one of 1987, was voted by the National Assembly in March 2005. The Act aims principally at improving the soundness of the insurance market in Mauritius and providing greater protection to policyholders.

The Act provides, inter alia, for the separation of long term and general insurance business. As from year 2011 composite companies will not be allowed, in line with established practices in a number of jurisdictions. It also introduces the principle of risk based capital. The solvency margin will be specified by way of regulations to be made by the Financial

Services Commission. Furthermore, the new legislation requires some degree of transparency on the shareholding of an insurer. Significant shareholders will require prior approval of the regulator. However, under the Transitional Provisions, a significant shareholder will be deemed to have obtained such approval. Additional corporate governance requirements are in the law which also confers upon the regulator powers to review reinsurance arrangements so as to assess the degree of reliance of these arrangements.

The Securities Act 2005, which replaces the Stock Exchange Act 1988, was also voted by the National Assembly in March 2005. The Act aims at ensuring a fair, efficient and transparent securities market and at striking an appropriate balance between the protection of investors and the interests of the securities market.

There has not been any legislative amendments in 2004 to the existing Anti-Money Laundering Laws and Regulations in force. However, it is worth mentioning that the new provisions of the FIAML (Miscellaneous Provisions) Act 2003 have, inter alia, significantly widened the regulatory, supervisory and enforcement powers of the FSC as regards AML compliance.

CORPORATE GOVERNANCE

The Group supports the highest standards stated in the Code of Corporate Governance for Mauritius published in October 2003 and is committed to business integrity, transparency and professionalism in all its activities to ensure that the entities within the Group are managed ethically and responsibly to enhance business value for all stakeholders. During the year 2004, the Group ensured that its operations yielded acceptable returns to shareholders and was conducted in a way that displayed the following characteristic of good corporate governance:

Discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

The Board of Directors

The Board is responsible for organising and directing the affairs of the Group in a manner that is in the best interest of shareholders, in conformity with legal and regulatory requirements, and consistent with its Constitution and practices of Corporate Governance.

The Board as a whole is involved in the process of nomination, selection and appointment of directors who are selected on the basis of their integrity, skill, acumen and experience to make sound judgements relevant to the business of the Group, independent of management. All directors have the requisite knowledge and experience required to properly execute their duties and participate actively in proceedings at Board meetings.

There exists a division of responsibilities between the Chairperson and the Group Chief Executive. Each entity within the group has its own Board structure.

Role of the Board:

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

The Board meets regularly to:

- (a) Determine the Group's purpose, strategy and values.
- (b) Exercise leadership, enterprise, intellectual honesty, integrity and judgement in directing the Group so as to achieve sustainable prosperity.
- (c) Ensure that procedures and practices are in place that protect the Group's assets and reputation and review process and procedures to ensure the effectiveness of the internal control systems.
- (d) Monitor and evaluate the implementation of strategy, policies, management performance criteria and business plans.
- (e) Record that facts and assumptions on which the Board relies to conclude that the business will or will not continue as a going concern in the next financial year.
- (f) Define levels of materiality, reserving specific powers in regard to itself and delegating other related matters to management. These matters are monitored and evaluated by the Board on a regular basis.
- (g) Ensure that technology and systems used in the company are adequate and subject to risk management so as to run the business with the most effective and efficient use of its assets, processes and human resources.
- (h) Identify key risk areas and key performance indicators of the business and take informed decisions to minimise these risks, in order for the Group to enhance shareholder value.
- (i) Ensure that the Group has developed a succession plan, both for its executive and senior management.
- (j) Identify, monitor and report regularly on the non-financial aspects relevant to the business of the Group.
- (k) Ensure communication with shareholders and relevant stakeholders is made openly and promptly with substance prevailing over form. The purpose of this communication exercise is to disclose in a transparent manner all material information (other than sensitive commercial information) regarding amongst others, management contract, shareholder agreement, controlling shareholders so that

minority shareholders and concerned stakeholders may make an informed decision in relation to their dealings with the Group and in the shares of the Group.

Directors' Responsibilities

The directors are required to ensure that adequate accounting records are maintained so as to disclose at any time, and with reasonable adequacy, the financial position of the Group and the Company. They are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

They must present financial statements for each financial year, which give a true and fair view of the affairs of the Group and the Company, and the results for that period. In preparing such financial statements, they are required to:

- Select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgement;
- State whether or not Companies Act 2001 and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto; and
- Use the Going Concern basis unless it is inappropriate.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group and the Company.

The financial statements have been prepared on a going concern and there is no reason to believe that the Group and the Company will not continue as a going concern in the next financial year.

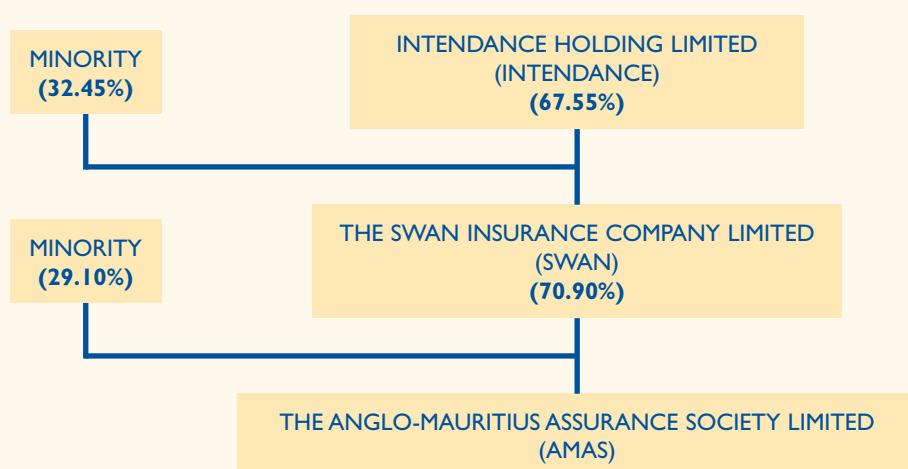
The directors confirm that they have followed the principles on the model code on securities transactions as required by appendix 6 of the Listing Rules.

Directorate

In compliance with the Code and consistent with the Group's commitment of adhering to its principles, the Board has proceeded with the appointment of two Non-Executive Independent and two Executive Directors. The Directors so appointed, are being proposed for election at the forthcoming Annual Meeting of shareholders.

Chairperson's Statement and Directors' Report (continued)

ULTIMATE HOLDING COMPANY



COMMON DIRECTORS

	AMAS	SWAN	INTENDANCE
<i>Cyril Mayer</i>	4	4	4
<i>M. J. Cyril Lagesse</i>	4	4	4
<i>P. Arnaud Dalais</i>	4	4	4
<i>M. M. Hector Espitalier-Noël</i>	4	4	4
<i>Me. Pierre Doger de Spéville</i>	4	4	4
<i>Philippe de Chasteauneuf</i>	4	4	
<i>Thierry Lagesse</i>	4	4	

Attendance of Directors of AMAS at Board Meetings held in 2004:

NAME	CLASSIFICATION	DESIGNATION	NO. OF MEETINGS	ATTENDANCE
Cyril Mayer	Non-executive	Chairperson	9	7
M. J. Cyril Lagesse	Non-executive	Director	9	6
P. Arnaud Dalais	Non-executive	Director	9	7
Thierry Lagesse	Non-executive	Director	9	5
Pierre Doger de Spéville	Non-executive	Director	9	7
Hugues Maigrot	Non-executive	Director	9	7
Philippe de Chasteauneuf	Non-executive	Director	9	7
M. M. Hector Espitalier-Noël	Non-executive	Director	9	2

Risk Management

The Board has overall responsibility for the Group's systems of risk management and internal control and for reviewing their effectiveness. 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.

The Group's risk policy defines risk as the possibility that an action, inaction, event or failure will prevent or hinder the Group from achieving its strategic objectives or ultimately, from maximising shareholder value. Recognising this definition, the risk management framework uses principles in managing risk:

- *Culture* - The Group fosters a corporate culture, which accepts risk taking as fundamental to its business. However risk identification, measurement, monitoring and control are indispensable for the continuing strength of the organisation.
- *Education/Training* - The Group promotes risk awareness among all its employees. It is committed to embedding risk management policies through increasing the employees' awareness of risk. Regular training are dispensed to employees on various technical and regulatory matters.
- *Enterprise* - The Group's perspective of risk extends to all activities within the organisation and covers both existing and emerging risks.
- *Consistent standards* - The Group recognises the importance of adhering to consistent high standards of governance and risk management throughout its operations.
- *Risk ownership* - The Group recognises that ultimate responsibility for the management of risk lies with the Board, but day-to-day responsibility for the management of risk rests with the management of each business segment. Management have authority and flexibility to act and make decisions in order to manage risk in their area, but they must do so within a strict set of Group's policies and standards.

In order to establish norms of risk management, the Group has set clear parameters for insurance classes, retention limits, reinsurance protection and other appropriate measures. Within the group, the risk elements are viewed under the following headings:

- Insurance (underwriting, claims and reinsurance) risk;
- Operational risk; and
- Financial risk.

Insurance Risk

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

Management uses a number of tools to write certain higher risk classes of business, review performance and management of insurance portfolios throughout the Group.

The Group's reinsurance strategy and appetite is set and agreed at Board level. Treaty purchases are analysed by the Reinsurance team who also assess risk exposure of the Group.

Operational Risk

Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational loss events have significant negative impact on the market value of insurers.

Losses may further result from:

- *Human Resource risk:*
Losses arising from acts inconsistent with employment, health and safety laws, personal injury claims, etc.
- *Compliance risk:*
Dishonest or fraudulent acts intended to defraud or misappropriate property or circumvent regulations, law and policies and involves at least one internal party and a thirty party respectively.
- *Physical risk:*
Losses due to fire, explosion, riots, etc.
- *Technology risk:*
Includes hardware and software failures, system development and infrastructure issues.
- *Business continuity risk:*
Losses from failed transaction processing, and process management.
- *Reputational risk:*
Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or arising from the nature or design of a product.

The Group has a proper operational risk management framework in place to effectively, systematically identify, assess and contain operational risk throughout the organisation. Operational losses are understood, monitored and corrected so as to remain within acceptable levels.

Financial Risk

The primary sources of financial risk within the Group are reinsurance counterparties' credit risk inherent to the insurance contracts, treasury and investment activities and premium debtors.

The management of these risks are further discussed in note 3 to the financial statements.

Chairperson's Statement and Directors' Report (continued)

Remuneration Philosophy

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

The following principles are used to determine the proper remunerations levels:

- Remuneration practices are structured to provide clear differentiation between individuals with regard to performance;
- Incentives are created for superior performance;
- Top contributors are awarded higher bonuses;
- Under performers are not rewarded and steps are taken to encourage individuals to improve or leave the Group in line with accepted practices;
- Market norms and practices are benchmarked and participation to remuneration surveys is supported.

Remuneration is reviewed annually by the Board after taking cognisance of market norms and practices as well as additional performance and responsibilities placed on employees.

Non-Executive directors are remunerated for their knowledge, experience and insight given to the Boards.

Group Company Secretary

All directors have access to the services of the Group Company 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.

Constitution

The new Constitution of the Company adopted in October 2003 does not provide any ownership restriction or pre-emption rights. It is in conformity with the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius.

Social, Safety, Health and Environmental Practices

The Company 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 Company is aiming for best practice in line with its corporate values and long-term objectives.

Shareholders Agreements/Third Party Management Agreements

There is no Shareholders Agreement/Third Party Management Agreement.

Dividend Policy

Every three years, an actuarial valuation report is made by our Consulting Actuaries in accordance with the Insurance Act 2005. The purpose of this valuation is to determine the surplus/(deficiency) of the Society's 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 is the basis for compliance with the solvency test requirements pursuant to Section 6 of Part I of the Company's Act 2001.

Share Price Information



Political Contributions

The Group and the Company in line with Group's policy did not make any contribution to political parties during the year under review.

Relationship with Shareholders

The Board's objective is also to properly understand the information needs of all shareholders and places great importance on an open and meaningful dialogue with all those involved with the Group. It ensures that shareholders are kept informed on matters affecting the Group. The Group website is used to provide relevant information. Open lines of communication are maintained to ensure transparency and optimal disclosure. All Board members are requested to attend the annual meeting, to which all shareholders are invited.

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 Committee as adapted to meet the specific needs of the Group.

Important Events

- The Annual Meeting of Shareholders was held on 25th June 2004.
- A dividend was declared on 17th November 2004 and paid to shareholders on 27th December 2004.

ORGANISATION STRUCTURE

During the year under review the Directors have approved a new Organisation Structure for the Group effective as from 1st January 2005.

The Directors have also made the following consequential appointments:

Group Chief Operations Officer: Louis Rivalland
Operations Executive (Short Term Operations): Michel Thomas
Operations Executive (Actuarial & Long Term Operations): Mark Whatley
Senior Manager - Group Finance: Maxime Rey
Senior Manager - Group Information Technology: Suzanne Chung Tak Lun.

Under the new structure all operational departments report directly to the Group Chief Operations Officer and ultimately to the Group Chief Executive.

The departments of *Finance, Information Technology, Communication, Marketing Support & Human Resources* and the one of *Investments* are directly accountable to the Group Chief Executive.

An Executive Committee has also been constituted as follows:

Jean de Fondaumière, Group Chief Executive, as Chairperson
Paul Rousset, Consultant

Louis Rivalland, Group Chief Operations Officer

Jean Paul Chasteau de Balyon, Group Company Secretary, as Secretary.

ACKNOWLEDGEMENT TO OUR KEY PARTNERS AND EMPLOYEES

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

Our management and staff have continued to show their dedication and commitment to the Company and a determination to succeed in delivering value to shareholders and policyholders. On behalf of the Board and of the shareholders, I would like to thank them. We also express our gratitude to our sales representatives.



Cyril Mayer
Chairperson

Group Chief Executive's Review

LONG TERM OPERATIONS

Individual Business

During the year under review our attention was focused on further changes in the financial services sector prompted this time by the introduction of a new Insurance Bill and of a proposed Code of Business Conduct. The Bill and the Code have as their main objectives the enhancing of the regulatory and supervisory framework to international best practice and the safeguard of consumers. The Bill was enacted on the 25 March 2005 and together with the coming into force of the Code will bring considerable changes in the Industry's way of doing business. The resulting energies required for their implementation will be considerable. Whilst appreciating the need to replace the Insurance Act 1987 and to have a better-regulated industry we express the hope that the life insurance industry will continue to play a major role as one of the most attractive avenues for personal savings.

The residential loan market remains very buoyant and competitive offering a wide choice of very competitive products to customers. We continue to participate actively in the loan market, offering variable interest rates that are comparable to those offered by the main banks, combined with the added flexibility for our customers to switch to a fixed rate at a later date if they wish to. During the last quarter we have seen an increase in the Lombard rate and should this trend continue we might well see a customer shift from variable to fixed interest loans.

The pensions portability market is also very active and we believe that the Company is well poised to take full advantage of this market through its attractive selection of competitive and uniquely adaptable products.

We remain committed in our pursuit of excellence in service standards and improved value to our policyholders. We are constantly looking at ways to enhance our service levels, to ensure customers receive the information they need when they need it. A number of projects are under way in this respect, in terms of reviewing systems, processes and standards of service. The service offered by our medical centre has also been improved to respond more conveniently to the needs and expectations of our customers.

The Company has a proud record as a leader in the all-important area of policy values. One of the key elements in our ongoing search for excellence is to constantly review our strategies in the light of changing conditions so as to ensure that policyholders receive the best possible return on their investment.

On the individual business side we have witnessed a solid growth in annual premium income during 2004. The unit-linked personal pension has performed particularly well, building a strong position in the market since its launch in December 2002. Customers value highly the flexibility with regard to premium payments, the choice of two top-performing investment funds and the options available at retirement.

To ensure future growth we continue to look for ways of increasing and diversifying our sales. In this regard we established an individual business development team during the year, with a view to supplementing the strong agency network that is already in place.

To increase our already wide range of individual products we launched a new unit-linked product in June, the Capital Life Plan. The Capital Life Plan is a single premium policy which combines both life cover and savings. The initial response has been very positive.

Corporate Business

On the corporate side we have continued to consolidate our position as one of the key players in the Mauritian pensions market. In October 2004, we acquired Pension Consultants and Administrators Limited ("PCA"), one of the leading service providers in the self-invested pension scheme market. Although PCA will remain a separate legal entity with its own staff and systems, the combination of the knowledge of both pension teams has created a strong synergy. Our team of over thirty pensions professionals can offer expertise and experience that is unrivalled in the Mauritian market.

We offer the full range of pension solutions to our corporate clients, from the provision of insured schemes to the administration of self-invested funds. Any type of pension structure can be catered for, depending on a client's exact requirements in terms of benefit strategy, budget and desired level of management involvement in the running of the scheme. Our aim is to provide a top level of service to our clients. By working in partnership with our clients we ensure that their pension arrangements are the best fit for their business.

2004 has witnessed continuing interest in the defined contribution approach to pension provision. Under a defined contribution scheme, a member's benefit depends on the contributions paid, the investment returns achieved on the contributions, and the cost of converting the accumulated fund into a pension at retirement. The trend reflects the desire of employers to control what they spend on providing pensions.

Our group disability product launched in 2003 has proved a continued success. This product offers protection to both an employer and its employees, offering income protection if an employee is unable to work due to accident or illness. Such an arrangement supplements the usual range of pension scheme benefits. The clients that have implemented such arrangements to-date are already reaping returns from their schemes.

ECONOMIC HIGHLIGHTS*

The World Economy

In 2004 the world economy strengthened and the global recovery was well established. The global Gross Domestic Product (GDP) grew by 5.1%, exceeding the 4% trend. The global recovery was mainly driven by the strong growth in The United States and the rapid expansion in emerging markets in Asia, particularly China.

Global GDP growth was 5.1% in 2004 compared to 4.0% in 2003. The growth rate of The United States was 4.4% in 2004 compared to 3.0% in 2003 whilst the growth rates were 2.0% in 2004 compared to 0.5% in 2003 for the Euro area and 8.2% in 2004 compared to 8.1% in 2003 for the developing Asia. World trade volume growth was 9.9% in 2004 compared to 4.9% in 2003.

Global GDP growth and world trade volume growth are forecast at 4.3% and 7.4% respectively for 2005. Positive growth rates are forecast for most advanced economies, emerging markets and developing countries for 2005 with a forecast of 3.6% for The United States, 1.6% for the Euro area and 7.4% for the developing Asia.

The Mauritian Economy

The Mauritian economy grew by 4.2% in 2004 compared to 4.4% in 2003. The growth rate excluding sugar works out to 4.0% compared to 4.3% in 2003. Gross Domestic Product (GDP) at basic prices increased by 10.1% in 2004 to reach Rs. 151.7 billion in 2004 compared to Rs. 137.9 billion in 2003. GDP per capita at basic prices is estimated at Rs. 122,984 compared to Rs. 112,720 in 2003, indicating an increase of 9.1%. Gross National Income (GNI) at basic prices reached Rs. 151.3 billion in 2004 compared to Rs. 137.0 billion in 2003 representing an increase of 10.4% over the previous year. GNI per capita at basic prices increased by 9.5% to reach Rs. 122,648 compared to Rs. 112,039 in 2003.

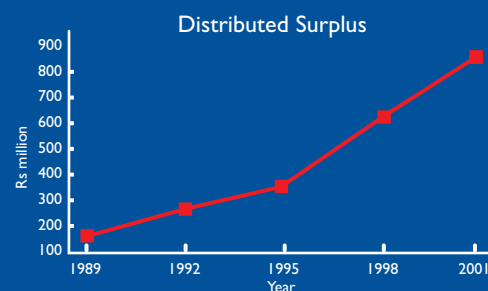
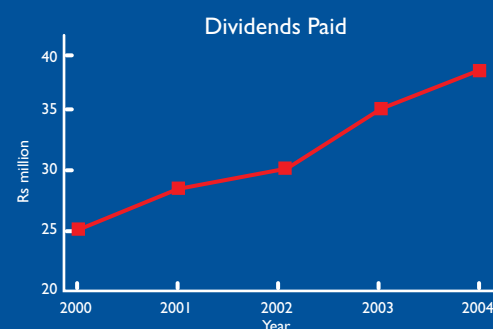
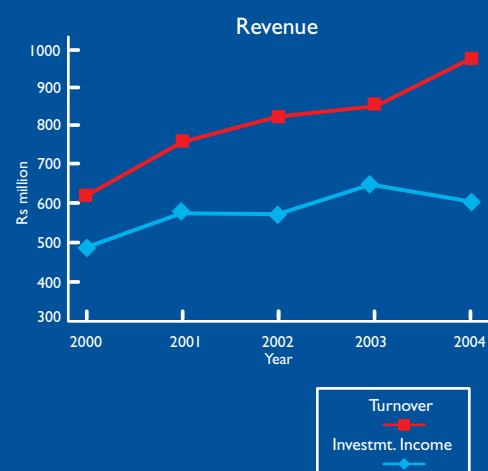
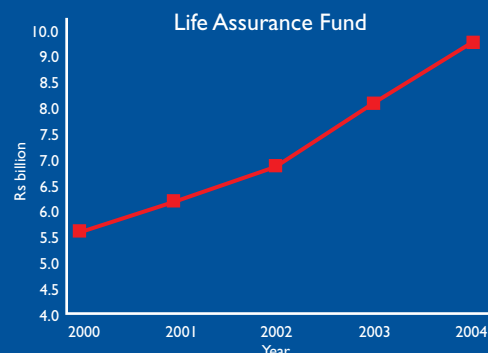
The following growths were registered in the different sectors of the economy in 2004: the sugar sector grew by 6.5% compared to 3.1% in 2003, the financial intermediation sector grew by 1.0% compared to 7.2% in 2003 and the construction sector grew by 3.1% compared to 11.1% in 2003. The Export Processing Zone (EPZ) sector declined by 5.0% after a decline of 6.0% in 2003. The tourism sector grew by 2.6% compared to 3.0% in 2003 in line with the increase in tourist arrivals 720,000 compared to 702,018 in 2003. The insurance sector grew by 5.0% compared to 7.3% in 2003 with a contribution of Rs. 4.1 billion to the GDP. Commercial banks grew by 7.4% compared to 5.9% in 2003, offshore banks by -15.4% compared to 12.3%, and other financial intermediation activities by 0.7% compared to 0.5% in 2003.

The growth rate is forecast at 5.1% for 2005. The growth rate excluding sugar works out to 5.0%, higher than the 4.0% recorded in 2004. The following output is expected from the key sectors of the economy: a sugar production of 600,000 tonnes, a stabilisation of the EPZ sector with an output of Rs. 35.0 billion, tourist arrivals of 775,000 and a growth of 5.0% for the financial intermediation sector. Aggregate final consumption expenditure of households and General Government increased by 14.1% to reach Rs. 135.0 billion in 2004 from Rs. 118.4 billion in 2003. Compensation of employees reached Rs. 63.9 billion compared to Rs. 58.3 billion in 2003 representing an increase of 9.5%. The share of compensation of employees in GDP at basic prices decreased slightly from 42.3% in 2003 to 42.1% in 2004. Gross National Disposable Income (GNDI) increased by 10.9% to reach Rs. 175.7 billion in 2004 from Rs. 158.4 billion in 2003. Gross National Saving (GNS) increased from Rs. 39.9 billion in 2003 to Rs. 40.7 billion in 2004. However, the saving rate decreased from 25.4% in 2003 to 23.3% in 2004.

Total investment reached Rs. 38.9 billion in 2004 compared to Rs. 35.6 billion in 2003 which represents an increase of 9.2%. In real terms, the growth is estimated at 5.5% compared to 10.0% in 2003. The investment rate decreased from 22.6% in 2003 to 22.3% in 2004.

The inflation rate was 4.7% in 2004 as compared to 3.9% in 2003 and is forecast at 5.5% for financial year 2004-2005.

The population of the Republic of Mauritius was slightly more than 1.2 million in 2004, which indicates a 0.8% growth over 2003.



Group Chief Executive's Review (continued)

Total labour force was 527,800 (349,400 males and 178,400 females) and total employment reached 483,500 (329,800 males and 153,700 females) in 2004. Unemployment rate was 8.4% (5.6% for males and 13.8% for females) in 2004.

FINANCIAL HIGHLIGHTS

The Life Assurance Fund at 31st December 2004 amounted to Rs. 9.8 billion (Rs. 8.1 billion in 2003) increasing by Rs. 1.7 billion during the year (Rs. 1.2 billion in 2003).

The Life Assurance Fund includes a fair value reserve of Rs. 1.3 billion in 2004 (Rs. 576.8 million in 2003). The increase in fair value reserve of Rs. 717 million made during the year (Rs. 414.6 million in 2003) is due to the excellent unrealised gains of our equities portfolio on the stock exchange.

The premiums receivable net of re-assurances and annuity considerations amounted to Rs. 992.3 million in 2004 (Rs. 815.8 million in 2003), including Rs. 182.2 million for the linked business (Rs. 143 million in 2003).

The Company sustained during the year death and disablement claims of Rs. 26.8 million as compared to Rs. 31.0 million in 2003. Maturities paid amounted to Rs. 371.5 million as compared to Rs. 285.7 million last year.

During the year, surrenders decreased from Rs. 149.8 million to Rs. 95.4 million.

Realised capital appreciation of Rs. 12.5 million was made on the non-linked account during the year as compared to Rs. 15.8 million in 2003, and realised capital appreciation of Rs. 2.9 million was made on the linked account in 2004 as compared to Rs. 7.6 million last year.

Gain on exchange of Rs. 66.3 million was made on the non-linked account in 2004 as compared to Rs. 0.8 million last year, and gain on exchange of Rs. 4.8 million was made on the linked account during the year as compared to loss on exchange of Rs. 0.6 million sustained in 2003.

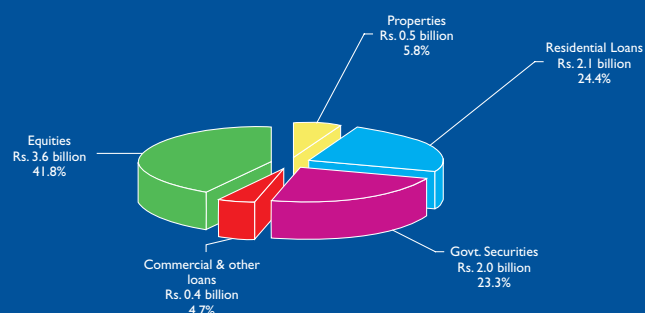
INVESTMENTS

During the year 2004, the Semtri increased by 35.6% as compared to 29.6% and 49.1 % in 2002 & 2003 respectively. The total return on the Stock Exchange of Mauritius over the last three years has reached 176% in dollars term. In comparison, over the same period, the Dow Jones, the main index of the New York Stock Exchange increased by only 7.6% while the FTSE 100 in London dropped by 7.7%.

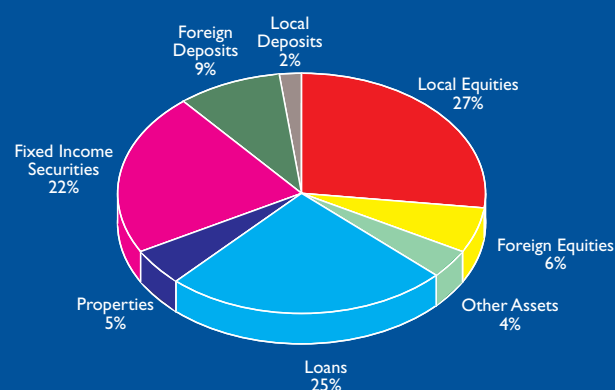
As regards interest rates, a clear reversal of trend is noticeable. After having reached historically low level in 2003/04, the rates have started going up again. The interest rates have increased by 25 bps in Mauritius in 2004 while soaring by 125 bps in the United States. This trend of rising interest rate is expected to continue in 2005.

The Non-Linked Fund is our largest fund with assets of Rs 9.1 billion at market value as at 31st December 2004 compared to Rs 7.7 billion the previous year. The assets are invested principally in fixed income instruments (approximately 60%) and around 40%

Investment Structure
(at market value)



The Anglo-Mauritius Non-Linked Fund



in shares and properties. This fund has recorded a very satisfactory performance in 2004, mainly due to returns of above 30% on its equity portfolio. The percentage of the fund invested overseas stood at 15%.

The Equity Fund (Pension) was our overall best performing fund over 2004 with a return of 33.2%. This fund invests at least 90% of its assets in quoted shares of well-established companies, on the local and foreign markets. On the other hand, our most popular unitised funds, the General Fund (Life) and the Secure Fund (Pension), which are mainly invested in fixed income instruments, have achieved returns of slightly above 10%, which is in line with our expectation.

ANTI – MONEY LAUNDERING

The Company remains committed to ensuring compliance with Anti-Money Laundering and Terrorism Financing laws and code in force.

It has pursued its efforts in maintaining awareness and vigilance amongst its staff and has also improved internal control mechanisms.

Due diligence and Know Your Client (KYC) exercises are being carried out and records of documentation submitted by clients are kept in accordance with the requirements of AML/CFT laws and code.

The Financial Action Task Force (FATF) revised its Forty Recommendations for combating Money Laundering and terrorist financing. The present AML code prepared by the FSC is presently being reviewed so as to ensure consistency with the revised FATF recommendations.

HUMAN RESOURCES AND COMMUNICATION

J. Raymond Avrillon retired as Chief Medical Officer to The Anglo-Mauritius on 31st December 2004. I would like to take this opportunity and express to Dr. Avrillon my warmest gratitude for his total commitment and dedication to The Anglo-Mauritius and to wish him a happy retirement.

We believe that the key to competitiveness lies with the people, particularly with the ability of the organisation to leverage the knowledge and skills of those people. By focusing on human capital, we privilege an approach whereby people are assets and people management is a value-added process. Investment in training and development are critical success factors to valuing employees' competencies and commitment to business performance. Several courses have thus been attended by the staff in view of further developing their skills in long term and short term insurance, finance, information technology and management. Processes have been further developed to encourage continuous professional development across grading structures and job levels.

During the year, the sales representatives and the staff of The Anglo-Mauritius followed courses on Basic Insurance, Conventional (With Profits) Plans, Residential Loans, Unit-linked Personal Pension Plans. These courses were conducted by the Individual Business Marketing Department of The Anglo-Mauritius. Taking into consideration the commitment of the Group to participate in the national socio-economic development, we

believe that corporations need to work towards the improvement of society, in the broadest sense of the term, and to the protection of the environment. We thus pay attention to the social aspects of our activities and to the new expectations of the various stakeholders in society, without detracting from the economic purpose of the enterprise or impairing its competitiveness.

We have been involved for several years now in corporate social responsibility initiatives whereby the objectives are consistent with our core corporate values. We are currently working on projects jointly managed by the public and private sectors whereby priority is given to the promotion of education, welfare, sports and arts.

The processes of changing environment and of globalisation will continue to impact on the core businesses of The Group. In this ever-changing environment, leadership, flexibility, adaptability, creativity, teamwork are key factors of success. The restructuring process which has been carried out within the Swan Group whereby the technical functions have been reinforced and the support functions merged into Group functions should enable the Group to better grasp the challenges ahead in a highly competitive environment worldwide.



Jean de Fondaumièrre
Group Chief Executive

***Sources:**

World Economic Outlook (WEO), April 2005 – International Monetary Fund (IMF)

Central Statistical Office (CSO), Republic of Mauritius – Economic and Social Indicators

Report of the Auditors to the Members

We have audited the financial statements of The Anglo-Mauritius Assurance Society Limited and its Subsidiaries set out on pages 26 to 54 which have been prepared on the basis of the accounting policies set out on pages 31 to 34.

This report is made solely to the Group's and the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001 and the Insurance Act 1987. Our audit work has been undertaken so that we might state to the Group's and the Company's members those matters we are required to state to them in an auditors' report and or for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group's and the Company's and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Board of Directors and Auditors

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and for ensuring that the financial statements comply with the Companies Act 2001 and the Insurance Act 1987. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

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

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

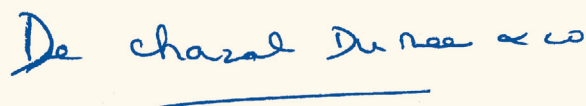
We have no relationship with, or any interests in, the Group and the Company other than in our capacity as auditors, tax and business advisers and other than dealings with the Group and the Company in the ordinary course of business.

Opinion

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

In our opinion:

- a) proper accounting records have been kept by the Group and the Company as far as it appears from our examination of those records;
- b) the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2004 and of its results and cash flows for the year then ended, comply with the Companies Act 2001 and the Insurance Act 1987 and have been prepared in accordance with International Financial Reporting Standards.



DE CHAZAL DU MEE & CO
Chartered Accountants

Port Louis,
Mauritius.
22nd March 2005



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

Balance Sheets – as at December 31, 2004

		THE GROUP		THE COMPANY	
	Notes	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
ASSETS					
Non-current assets					
Property and equipment	4	167,351	151,414	133,441	119,668
Intangible assets	5	27,386	-	-	-
Investment property	6	312,639	310,969	246,030	244,271
Investments in Subsidiary Companies	7	-	-	125,724	99,724
Investments in financial assets	8	4,276,744	3,396,816	4,276,744	3,396,816
Loans and receivables	9	2,318,432	2,382,261	2,318,432	2,382,261
Statutory Deposit		8,000	8,000	8,000	8,000
		7,110,552	6,249,460	7,108,371	6,250,740
Current assets					
Trade and other receivables	10	84,333	118,322	81,812	118,035
Short term financial assets	11	2,711,057	1,992,089	2,712,662	1,992,089
Cash in hand and at bank	26(b)	59,912	70,714	47,061	50,298
		2,855,302	2,181,125	2,841,535	2,160,422
Total assets		9,965,854	8,430,585	9,949,906	8,411,162
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	12	25,000	25,000	25,000	25,000
Proprietors' Fund		5,201	39,558	5,201	39,558
		30,201	64,558	30,201	64,558
Minority interests	13	104	110	-	-
		30,305	64,668	30,201	64,558
Non-current liabilities					
Life Assurance Fund	14	9,762,358	8,117,046	9,748,836	8,099,305
Borrowings	15	2,968	-	-	-
Retirement Benefit Obligations	16	83,113	75,092	83,113	75,092
Deferred tax liabilities	17	1,577	1,486	-	-
		9,850,016	8,193,624	9,831,949	8,174,397
Current liabilities					
Trade and other payables	18	72,317	155,849	75,756	160,207
Current tax liabilities	19	12,732	13,269	12,000	12,000
Borrowings	15	484	3,175	-	-
		85,533	172,293	87,756	172,207
Total equity and liabilities		9,965,854	8,430,585	9,949,906	8,411,162

These financial statements have been approved for issue by the Board of Directors on 22nd March 2005.

Cyril Mayer
Chairperson

M. J. Cyril Lagesse
Director

The notes on pages 31 to 54 form an integral part of these financial statements.
Auditors' report on pages 24 and 25.

Life Assurance Fund - Non Linked Account - Year ended December 31, 2004

	Notes	THE GROUP		THE COMPANY	
		2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Gross Premiums		762,038	653,232	762,038	653,232
Ceded to Reinsurers		(45,788)	(37,479)	(45,788)	(37,479)
Net insurance premium	20	716,250	615,753	716,250	615,753
Consideration for annuities	20	93,844	57,039	93,844	57,039
Investment income	21	532,187	563,513	538,780	571,448
Net realised capital appreciation on financial assets		12,532	15,829	12,532	13,534
Gain on exchange		66,256	835	66,256	835
Other operating income - rent	6	13,589	10,092	8,883	3,872
Fee income on insurance and investment contracts		34,213	20,703	33,654	20,135
		1,468,871	1,283,764	1,470,199	1,282,616
Net death and disablement insurance claims	22	26,585	30,942	26,585	30,942
Maturity claims		371,038	283,856	371,038	283,856
Surrenders		83,648	59,041	83,648	59,041
Annuities		89,664	80,725	89,664	80,725
Commissions payable to agents and brokers		39,047	31,133	39,047	31,133
Fees payable		10,586	10,267	10,586	10,267
Depreciation of property and equipment	4	9,543	16,137	9,236	15,999
Depreciation of investment property	6	4,470	4,610	4,331	4,226
Computer development expenses		2,287	2,542	2,287	2,542
Other operating expenses - rent		-	5	-	5
Bad debts		4,217	2,114	4,217	2,114
Marketing and administrative expenses	23	101,426	91,655	99,534	89,815
		742,511	613,027	740,173	610,665
Surplus for the year before taxation		726,360	670,737	730,026	671,951
Taxation	19	(8,624)	(3,434)	(8,075)	(2,130)
		717,736	667,303	721,951	669,821
Minority interest	13	(4)	(3)	-	-
Surplus for the year	14	717,732	667,300	721,951	669,821

The notes on pages 31 to 54 form an integral part of these financial statements.
Auditors' report on pages 24 and 25.

Life Assurance Fund - Linked Account – Year ended December 31, 2004

	Notes	THE COMPANY	
		2004 Rs'000	2003 Rs'000
Gross premiums		185,831	145,577
Ceded to Reinsurers		(3,594)	(2,584)
Net insurance premium	20	182,237	142,993
Investment income	21	55,863	45,848
Net realised capital appreciation on financial assets		2,868	7,605
Gain/(loss) on exchange		4,755	(552)
		245,723	195,894
Net death and disablement claims	22	202	8
Maturity claims		476	1,892
Surrenders		11,717	90,778
Annuities		12,026	10,976
Fees payable		10,674	6,593
		35,095	110,247
Surplus for the year	14	210,628	85,647

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

The notes on pages 31 to 54 form an integral part of these financial statements.
Auditors' report on pages 24 and 25.

Statements of Changes in Equity – Year ended December 31, 2004

THE GROUP AND THE COMPANY	Note	Share Capital Rs'000	Proprietors' Fund Rs'000	Total Rs'000
Balance at January 1, 2003		25,000	68,334	93,334
Interest allocated		-	6,224	6,224
Dividends paid	24	-	(35,000)	(35,000)
Balance at December 31, 2003		25,000	39,558	64,558
Balance at January 1, 2004		25,000	39,558	64,558
Interest allocated		-	4,143	4,143
Dividends paid	24	-	(38,500)	(38,500)
Balance at December 31, 2004		25,000	5,201	30,201

The notes on pages 31 to 54 form an integral part of these financial statements.
Auditors' report on pages 24 and 25.

Cash Flow Statements – Year ended December 31, 2004

	Notes	THE GROUP		THE COMPANY	
		2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Operating activities					
Cash generated from operations	26(a)	282,112	127,976	279,307	122,582
Investment income received		582,488	609,361	589,381	617,296
Interest paid		-	(16,953)	-	(16,953)
Tax paid		(9,075)	(3,461)	(8,075)	(2,130)
Net cash generated from operating activities		855,525	716,923	860,613	720,795
Investing activities					
Acquisition of subsidiary, net of cash and cash equivalents acquired	7, 27	(26,063)	-	(26,000)	-
Purchase of property and equipment	4	(6,957)	(6,352)	(6,055)	(6,352)
Purchase of investment property	6	(24,019)	(19,943)	(23,969)	(19,943)
Purchase of financial assets	8	(1,724,508)	(1,402,830)	(1,724,508)	(1,402,830)
Loans granted		(249,501)	(740,273)	(249,501)	(740,273)
Redemption/disposal of investment in financial assets		1,022,916	878,374	1,022,916	878,374
Disposal of property and equipment		1,285	935	1,285	935
Loans granted to shareholders		(780)	(50)	(780)	(50)
Disposal of investment property		-	10,000	-	-
Loan recovered from shareholders		776	-	776	-
Loans received		315,749	718,779	315,749	718,779
Net cash used in investing activities		(691,102)	(561,360)	(690,087)	(571,360)
Financing activity					
Dividends paid	24	(38,500)	(35,000)	(38,500)	(35,000)
Net cash used in financing activity		(38,500)	(35,000)	(38,500)	(35,000)
Increase in cash and cash equivalents		125,923	120,563	132,026	114,435
Movement in cash and cash equivalents					
At January 1,		874,651	753,805	857,410	742,692
Increase		125,923	120,563	132,026	114,435
Effects of exchange rate changes		71,011	283	71,011	283
At December 31,	26(b)	1,071,585	874,651	1,060,447	857,410

The notes on pages 31 to 54 form an integral part of these financial statements.
Auditors' report on pages 24 and 25.

Notes to the Financial Statements – Year ended December 31, 2004

I. GENERAL INFORMATION

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

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

- (i) Land and buildings of certain subsidiary companies are at revalued amounts;
- (ii) available-for-sale financial assets are stated at their fair value; and
- (iii) held-to-maturity financial assets, loans and receivables and relevant financial liabilities are carried at amortised cost.

(b) Investment in Subsidiary Companies

Separate financial statements of the investor

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

Consolidated financial statements

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

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

(c) Foreign Currencies

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

(d) Property and Equipment

All property and equipment are initially recorded at cost. Land and buildings of some Subsidiary Companies are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation for property. All other property and equipment are stated at historical cost less depreciation.

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

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

Land is not depreciated.

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

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

Notes to the Financial Statements – Year ended December 31, 2004

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

(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 1-20 years. The carrying amount of the computer software is reviewed annually and adjusted for impairment where it is considered necessary.

(f) Investment Property

Property held for long term rental yields that is not occupied by the Group and the Company is classified as investment property. Investment property comprises freehold land and buildings. 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 their residual values over their estimated useful life, and the principal annual rate used is as follows:

Buildings	2%
-----------	----

Land is not depreciated.

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

(g) Impairment

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

(h) Life Assurance Fund

Non Linked Account

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

Linked Account

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

(i) Trade receivables and Payables

Trade receivables and payables relate to insurance contracts and are recognised when due. These include amounts due to and from reinsurers, agents, brokers and insurance contract holders.

The Group's and the Company's accounting policies in respect of the Receivables and Payables related to insurance contracts are set out below:

(a) Insurance receivables

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

Notes to the Financial Statements – Year ended December 31, 2004

(i) Trade receivables and Payables (continued)

(b) Insurance payables

Insurance payables are stated at their nominal value.

The nominal value less estimated credit adjustments of insurance receivables and payables are assumed to approximate their fair values.

(j) Investments

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

(a) Loans and receivables

Loans and receivables are unquoted non-derivative financial assets with fixed or determinable payments. They arise when the Group and the Company provides money, goods 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 for maturities greater than twelve months.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets that the Group and the Company have the positive intention and ability to hold to maturity.

(c) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classified in any other categories.

Initial recognition

Purchases and sales of investments are recognised on trade date, the date on which the Group and the Company commit 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 financial assets are subsequently carried at amortised cost using the effective interest method. Loans and receivables without maturity terms are measured at cost. Available-for-sale financial assets are measured at subsequent reporting dates at fair value.

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

Derecognition

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

Valuation

The fair values of quoted financial assets are based on current bid prices. For unquoted financial assets, the Group and the Company establish fair value by using valuation techniques. These include use of recent arm's length transactions reference to other instruments that are substantially the same, discounted cash flow analysis and net assets basis.

Investments in Subsidiary Companies

Investments in Subsidiary Companies are stated at cost net of any impairment in value. Impairment in value of the investments and any surpluses or losses arising on disposal are accounted in the Life Assurance Fund.

Notes to the Financial Statements – Year ended December 31, 2004

(k) Deferred Income Taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

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

(l) Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

(m) Retirement Benefit Obligations

The Anglo-Mauritius Assurance Society Limited 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 from the reporting enterprise and cannot therefore be considered as Plan Assets.

(n) Revenue Recognition

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

(o) Accounting for leases - where Company is the lessee

Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables.

The interest element of the finance charge is charged to the Profit and Loss Account over the lease period. The property and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

Payments made under operating leases are charged to the Profit and Loss Account on a straight-line basis over the period of the lease.

(p) Provisions

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

Notes to the Financial Statements – Year ended December 31, 2004

3. FINANCIAL RISKS FACTORS

The Company issues insurance contracts that transfer financial risk. This section summarises the main risks and the way they are managed.

The Group's and 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 their financial assets are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of these financial risks are:

- Interest rate risk;
- Equity price risk;
- Currency risk;
- Credit risk; and
- Reinsurers' default.

Interest rate risk

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

Equity price risk

The valuations of the Group's and the Company's available-for-sale equity portfolio are subject to equity price risk. Exposure to price risk on the equity portfolio is not hedged.

Currency risk

Reinsurance policies by the Group and the Company are purchased from the international markets, thereby exposing them to foreign currency fluctuations. The Group and the Company primary exposures are associated with the British Pounds, Euros, Rands and US dollars.

The Company has investment in a foreign Subsidiary whose net assets are exposed to currency translation risk. Exposures to foreign currencies are not hedged.

Credit risk

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

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

Reinsurers' default

The Group and the Company are exposed to the possibility of default by its Reinsurers for their 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.

Notes to the Financial Statements – Year ended December 31, 2004

4. PROPERTY AND EQUIPMENT

	THE GROUP					
	Freehold Land & 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, 2004						
Cost	103,237	69,890	23,220	2,235	28,986	227,568
Valuation	27,664	-	-	-	-	27,664
	130,901	69,890	23,220	2,235	28,986	255,232
Acquired through business combination (note 27)	-	333	506	-	1,839	2,678
Transfer from investment property (note 6)	18,624	-	-	-	-	18,624
Additions	-	1,590	1,935	-	3,432	6,957
Disposals	-	-	(166)	-	(3,374)	(3,540)
At December 31, 2004						
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
DEPRECIATION						
At January 1, 2004	4,038	62,312	17,607	1,885	17,976	103,818
Transfer from investment property (note 6)	745	-	-	-	-	745
Acquired through business combination (note 27)	-	100	382	-	627	1,109
Charge for the year	2,436	503	2,061	50	4,493	9,543
Disposal adjustments	-	-	(70)	-	(2,545)	(2,615)
At December 31, 2004	7,219	62,915	19,980	1,935	20,551	112,600
NET BOOK VALUES						
At December 31, 2004	142,306	8,898	5,515	300	10,332	167,351
At December 31, 2003	126,863	7,578	5,613	350	11,010	151,414

Note: Revaluation is in respect of land of some Subsidiary Companies and land is not depreciated. Bank overdraft is secured over the assets of the Group including property and equipment.

Notes to the Financial Statements – Year ended December 31, 2004

4. PROPERTY 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, 2004	99,459	69,666	23,220	28,986	221,331
Additions	-	1,590	1,772	2,693	6,055
Transfer from investment property (note 6)	18,624	-	-	-	18,624
Disposals	-	-	(166)	(3,374)	(3,540)
At December 31, 2004	118,083	71,256	24,826	28,305	242,470
DEPRECIATION					
At January 1, 2004	3,963	62,118	17,606	17,976	101,663
Charge for the year	2,362	492	2,037	4,345	9,236
Transfer from investment property (note 6)	745	-	-	-	745
Disposal adjustments	-	-	(70)	(2,545)	(2,615)
At December 31, 2004	7,070	62,610	19,573	19,776	109,029
NET BOOK VALUES					
At December 31, 2004	111,013	8,646	5,253	8,529	133,441
At December 31, 2003	95,496	7,548	5,614	11,010	119,668

Notes to the Financial Statements – Year ended December 31, 2004

5. INTANGIBLE ASSETS

	THE GROUP		
	2004		
	Goodwill Rs'000	Computer Softwares Rs'000	Total Rs'000
Acquired through business combination (note 27)	23,800	3,586	27,386

6. INVESTMENT PROPERTY - LAND AND BUILDINGS

	THE GROUP	THE COMPANY
	Total Rs'000	Total Rs'000
COST		
At January 1, 2004	320,696	252,436
Additions	24,019	23,969
Transfer to property and equipment (note 4)	(18,624)	(18,624)
At December 31, 2004	326,091	257,781
DEPRECIATION		
At January 1, 2004	9,727	8,165
Charge for the year	4,470	4,331
Transfer to property and equipment (note 4)	(745)	(745)
At December 31, 2004	13,452	11,751
NET BOOK VALUES		
At December 31, 2004	312,639	246,030
At December 31, 2003	310,969	244,271

The fair value of investment property is estimated as follows:

	THE GROUP	THE COMPANY
	Total Rs'000	Total Rs'000
At December 31, 2003 and 2004	731,200	536,468

The investment property has been valued at fair value by Messrs Espral-Valuation Services, Chartered Surveyors, on an open market basis. The fair value has been assumed to have remained unchanged as compared to the previous year.

Rental income from investment properties amount to **Rs.26.5 million** (2003: Rs.22.3 million) for the Group and **Rs.21.8 million** (2003: Rs.16.9 million) for the Company. Direct operating expenses arising on the investment properties during the year amount to **Rs.12.9 million** (2003: Rs.13.6 million) for the Group and **Rs.12.8 million** (2003: Rs.13.0 million) for the Company.

Notes to the Financial Statements – Year ended December 31, 2004

7. INVESTMENTS IN SUBSIDIARY COMPANIES - COST

	THE COMPANY	
	2004 Rs'000	2003 Rs'000
At January 1,	99,724	99,724
Additions	26,000	-
At December 31,	<u>125,724</u>	<u>99,724</u>

The Subsidiary Companies/Corporations are as follows:

Companies	Country of incorporation	Class of shares held	Nominal value of investment Rs'000	% Holding	
				2004	2003
Investment & Administrative Co. (Mauritius) Limited	Republic of Mauritius	Ordinary shares	21,514	100%	100%
Manufacturers' Distributing Station Limited	"	"	47,686	99.8%	99.8%
Standard Property Co. Limited	"	"	31	100%	100%
Swan Properties Limited	"	"	2,114	100%	100%
Themis Limited	"	"	8,380	100%	100%
Verdun Industrial Building Co. Limited	"	"	19,999	100%	100%
Pension Consultants and Administrators Limited	"	"	25,000	100%	-
The Anglo-Mauritius Financial Services Limited	"	"	1,000	100%	-
			<u>125,724</u>		
Ilôt Fortier Limited	Republic of Mauritius	Ordinary shares	-	100%	100%
Société de la Croix	"	Share of interest	-	99.99%	99.99%
Société de la Montagne	"	Share of interest	-	99.99%	99.99%
Société de la Rivière	"	Share of interest	-	99.99%	99.99%

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

Notes to the Financial Statements – Year ended December 31, 2004

8. INVESTMENTS IN FINANCIAL ASSETS

	THE GROUP AND THE COMPANY			
	2004			2003
	Held to maturity Rs'000	Available for sale Rs'000	Total Rs'000	Total Rs'000
(a) Local Securities				
At January 1,	1,983,041	1,958,600	3,941,641	2,931,747
Additions	1,244,226	170,326	1,414,552	1,092,601
Disposals	(868,259)	(92,718)	(960,977)	(530,822)
Accrued interest for the year	(36,942)	-	(36,942)	75,310
	2,322,066	2,036,208	4,358,274	3,568,836
Increase in fair value	-	557,072	557,072	372,805
At December 31,	2,322,066	2,593,280	4,915,346	3,941,641

	THE GROUP AND THE COMPANY			
	2004			2003
	Held to maturity Rs'000	Available for sale Rs'000	Total Rs'000	Total Rs'000
(b) Foreign Securities				
At January 1,	-	410,237	410,237	342,207
Additions	-	309,956	309,956	310,229
Net increase/(decrease) in fair value	-	159,880	159,880	41,778
Disposals	-	(46,899)	(46,899)	(283,977)
	-	833,174	833,174	410,237
At December 31,	-	833,174	833,174	410,237
Total securities	2,322,066	3,426,454	5,748,520	4,351,878

Analysed as follows:

	2004 Rs'000	2003 Rs'000
Non-current	4,276,744	3,396,816
Current (see note 11)	1,471,776	955,062
	5,748,520	4,351,878

(c) Held-to-maturity investments comprise of Mauritius Government Securities, listed and unquoted debenture stocks and treasury bills with interest rates varying from 8.5% to 13%.

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

Notes to the Financial Statements – Year ended December 31, 2004

8. INVESTMENTS IN FINANCIAL ASSETS (continued)

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

	Type of shares	Proportion Held	
		2004 %	2003 %
Companies			
Autolac Investments Limited	Ordinary	7.8	10.4
Cathedral Development Limited	Ordinary	20.0	20.0
Ireland Blyth Limited	Ordinary	13.1	13.1
Le Refuge du Pêcheur Limited	Ordinary	10.0	10.0
Maurilait Production Limitée	Preference	14.9	14.9
Mauritius Development Investment Trust Co. Limited	Ordinary	9.0	10.2
Mauritius Freeport Development Co. Limited	Ordinary	10.0	10.0
Mauritius Venture Capital Fund Limited	Ordinary & Preference	10.0	10.0
Mauvilac & Co. Limited	Ordinary	16.9	16.9
Holiday & Leisure Resorts Limited	Preference	-	15.0
PIP Holdings Limited	Ordinary	-	16.9
Printing Inks & Products Limited	Ordinary & Preference	-	12.7
Sugarworld Limited	Ordinary	13.7	10.0
Standard Continuous Stationery Limited	Ordinary	20.5	20.5
Sukari Investment Co. Limited	Ordinary	20.1	20.1
Tropical Paradise Co. Limited	Ordinary	11.7	11.7
Pristine Resorts Limited	Ordinary	13.8	13.8
Sociétés			
Société Le Plessis	Share of interest	20.6	20.6
Société Vichy	Share of interest	-	25.7

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

Notes to the Financial Statements – Year ended December 31, 2004

9. LOANS AND RECEIVABLES

	THE GROUP AND THE COMPANY	
	2004 Rs'000	Restated 2003 Rs'000
Loans receivables		
Loans on policies	82,367	79,500
Loans on residential properties	2,093,642	2,111,157
Loans on business properties	221,574	273,995
Cummulative accrued interest	99,305	98,484
	<u>2,496,888</u>	<u>2,563,136</u>
Loans to related corporations	49,044	49,040
	<u>2,545,932</u>	<u>2,612,176</u>
Analysed as follows:		
Non-current	2,318,432	2,382,261
Current (see note 11)	227,500	229,915
	<u>2,545,932</u>	<u>2,612,176</u>

- (a) Loans receivables comprise of loans on policies, residential properties and business properties secured by mortgages. The rate of interest vary from 7% to 15% less any impairment loss recognised to reflect irrecoverable amounts. The loans to related corporations include an amount of Rs.19.1M representing deposits on investments.

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2004 Rs'000	Restated 2003 Rs'000	2004 Rs'000	Restated 2003 Rs'000
Insurance receivable:				
- Individuals	13,957	13,559	13,958	13,559
- Schemes	21,803	23,931	21,804	23,931
Other receivables and accrued interests	37,526	73,093	33,595	68,899
Acquired through business combination (Note 27)	966	-	-	-
Receivables from Group Companies:				
- Holding Company	10,081	7,739	10,081	7,739
- Subsidiary Companies	-	-	2,374	3,907
	<u>84,333</u>	<u>118,322</u>	<u>81,812</u>	<u>118,035</u>

Notes to the Financial Statements – Year ended December 31, 2004

11. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Investments in financial assets (see note 8(b))	1,471,776	955,062	1,471,776	955,062
Short term deposits (see note below & note 26(b))	1,011,781	807,112	1,013,386	807,112
Loans and receivables (see note 9)	227,500	229,915	227,500	229,915
	2,711,057	1,992,089	2,712,662	1,992,089

Note: Short term deposits comprise of foreign deposits, money at call and savings accounts. The rate of interests vary between 1% to 12%.

12. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	Authorised 2004 & 2003 Rs'000	Issued and fully paid 2004 & 2003 Rs'000
Ordinary shares of Rs 10. - each	25,000	25,000

13. MINORITY INTERESTS

	THE GROUP	
	2004 Rs'000	2003 Rs'000
At January 1,	110	107
Share of net profit	4	3
Share of dividend of subsidiary companies	(10)	-
At December 31,	104	110

Notes to the Financial Statements – Year ended December 31, 2004

14. LIFE ASSURANCE FUND

	THE GROUP					
	2004					2003
	Non Linked Rs'000	Linked Rs'000	Reserves from subsidiaries Rs'000	Fair value reserve Rs'000	Total Rs'000	Total Rs'000
At January 1,	6,877,841	644,705	17,741	576,759	8,117,046	6,949,516
Surplus on Life Assurance Fund for the year	721,951	210,628	-	-	932,579	755,468
(Loss)/profit from subsidiaries	-	-	(4,219)	-	(4,219)	(2,522)
Release of fair value reserve	-	-	-	(3,390)	(3,390)	(10,421)
Remeasurement of available for sale financial assets	-	-	-	720,342	720,342	425,005
At December 31,	7,599,792	855,333	13,522	1,293,711	9,762,358	8,117,046

	THE COMPANY				
	2004				2003
	Non Linked Rs'000	Linked Rs'000	Fair value reserve Rs'000	Total Rs'000	Total Rs'000
At January 1,	6,877,841	644,705	576,759	8,099,305	6,929,253
Surplus on Life Assurance Fund for the year	721,951	210,628	-	932,579	755,468
Release of fair value reserve	-	-	(3,390)	(3,390)	(10,421)
Remeasurement of available-for-sale financial assets	-	-	720,342	720,342	425,005
At December 31,	7,599,792	855,333	1,293,711	9,748,836	8,099,305

Notes to the Financial Statements – Year ended December 31, 2004

15. BORROWINGS

	THE GROUP	
	2004 Rs'000	2003 Rs'000
Non-current		
Obligations under finance lease (see notes (b) & (c) below)	794	-
Other loans (see note (d) below)	2,174	-
	<u>2,968</u>	<u>-</u>
Current		
Bank overdraft acquired through business combination (see note (a) below & note 26 (b))	108	3,175
Obligations under finance lease (see notes (b) & (c) below)	376	-
	<u>484</u>	<u>3,175</u>
Total	<u>3,452</u>	<u>3,175</u>

Borrowings have been acquired through business combination (note 27).

- (a) The bank overdraft is secured over the assets of the Group. The rates of interest vary between 11.5% and 16.5%.
- (b) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.
- (c) Finance lease liabilities - minimum lease payments:

	2004 Rs'000	2003 Rs'000
Within one year	516	-
Later than 1 year and not later than 5 years	961	-
	<u>1,477</u>	<u>-</u>
Future finance charges on finance leases	(307)	-
Present value of finance lease liabilities	<u>1,170</u>	<u>-</u>
The present value of finance lease liabilities may be analysed as follows:		
Within one year	376	-
Later than 1 year and not later than 5 years	794	-
	<u>1,170</u>	<u>-</u>

- (d) Other loans are unsecured, interest free with no fixed repayment terms.

Notes to the Financial Statements – Year ended December 31, 2004

16. RETIREMENT BENEFIT OBLIGATIONS

(a) The amounts recognised in the Balance Sheet for the present value of Defined Benefit Obligations are as follows:

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Present value of funded obligations	94,133	84,536
Unrecognised actuarial loss	(11,020)	(9,444)
At December 31,	83,113	75,092

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

	2004 Rs'000	2003 Rs'000
Current service cost	4,153	3,980
Interest cost	8,231	7,323
Actuarial loss	66	152
Total included in marketing and administrative expenses	12,450	11,455
Payment/expenses relating to obligations	(4,429)	-
Total included in Life Assurance Fund	8,021	11,455

(c) Movement in the liability recognised in the Balance Sheets

	2004 Rs'000	2003 Rs'000
At January 1,	75,092	63,637
Total expenses as above	8,021	11,455
At December 31,	83,113	75,092

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

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

	2004	2003
Discount rate	10%	10%
Future long-term salary increase	8%	8%
Future expected pension increase	3%	3%

Notes to the Financial Statements – Year ended December 31, 2004

17. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% - 25% (2003: 15% - 25%). The movement on the deferred income tax account is as follows:

	THE GROUP	
	2004 Rs'000	2003 Rs'000
At January 1,	1,486	1,452
Acquired through business combination (note 27)	302	-
Release for the year	(211)	34
At December 31,	1,577	1,486

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

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Trade payables	8,994	7,202	8,994	7,202
Other payables and accruals	58,098	125,679	56,750	125,037
Acquired through business combination (note 27)	213	-	-	-
Outstanding claims	4,882	22,467	4,882	22,467
Amounts due to Group Companies				
- Holding Company	130	501	130	501
- Subsidiary Companies	-	-	5,000	5,000
	72,317	155,849	75,756	160,207

19. CURRENT TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Current tax on the adjusted profit for the year at 15% - 25% (2003: 15% - 25%)	12,732	13,269	12,000	12,000
Overprovision in previous year	(4,199)	(9,869)	(3,925)	(9,870)
Movement in deferred tax	91	34	-	-
Charge for the year	8,624	3,434	8,075	2,130

Notes to the Financial Statements – Year ended December 31, 2004

20. TURNOVER

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

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Life Assurance Fund - Non Linked Account	810,094	672,792
Life Assurance Fund - Linked Account	182,237	142,993
	992,331	815,785

21. INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
Interest income	470,023	501,629	469,301	500,769
Dividend income	118,027	107,732	125,342	116,527
	588,050	609,361	594,643	617,296

22. DEATH AND DISABLEMENT INSURANCE CLAIMS

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Gross insurance claims	46,422	32,050
Recoverable from Reinsurers	(19,635)	(1,100)
Net Insurance claims	26,787	30,950

Notes to the Financial Statements – Year ended December 31, 2004

23. MARKETING AND ADMINISTRATIVE EXPENSES

	THE COMPANY	
	2004 Rs'000	2003 Rs'000
Marketing and administrative expenses include:		
- Staff costs (see note 23(a) below)	72,626	66,889
(a) Analysis of staff costs:		
Salaries	58,734	54,107
Pension and other costs	13,892	12,782
	72,626	66,889

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

	THE COMPANY	
	2004	2003
Management	11	9
Staff	136	123
Non-clerical	35	37
	182	169

24. DIVIDENDS

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Dividends paid: Rs.15.40 per ordinary share (2003 - Rs.14 per ordinary share)	38,500	35,000

25. EARNINGS PER SHARE

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Earnings attributable to ordinary shareholders is based on:		
- Amount transferred from Life Assurance Fund Account	28,177	28,177
- Interest allocated	4,143	6,224
	32,320	34,401
Number of ordinary shares in issue	2,500,000	2,500,000
Earnings per ordinary share	Rs. 12.93	13.76

The above amount of **Rs.28.2 million** (2003: Rs.28.2M) represents one-third of the total amount transferred from the Life Assurance Fund to Proprietors' Fund following the actuarial valuation conducted at December 31, 2001.

Notes to the Financial Statements – Year ended December 31, 2004

26. NOTES TO THE CASH FLOW STATEMENT

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
(a) Cash generated from operations				
Reconciliation of Surplus in the Life Assurance Fund Accounts and profits before income tax to cash generated from operations:				
Surplus in Life Assurance Fund Accounts and profits before Income Tax	936,984	757,008	940,654	757,598
Adjustments for:				
Depreciation on property and equipment (note 4)	9,543	16,137	9,236	15,999
Depreciation on investment property (note 6)	4,470	4,610	4,331	4,226
Profit on sale of property and equipment	(360)	(555)	(360)	(555)
Interest allocated to Proprietors' Fund	4,143	6,224	4,143	6,224
Investment income (note 21)	(588,050)	(609,361)	(594,643)	(617,296)
Net gain on exchange	(71,011)	(283)	(71,011)	(283)
Gain on sale of financial assets	(15,040)	(20,584)	(15,040)	(20,584)
Movement in statutory deposits	-	2,000	-	2,000
Interest expense	-	16,953	-	16,953
Profit on sale of investment property	-	(2,795)	-	-
Change in accrued interests	36,942	(75,310)	36,942	(75,310)
Changes in working capital (excluding the effects of acquisition and disposal):				
Trade and other receivables	40,215	(46,789)	41,485	(47,655)
Trade and other payables	(83,745)	69,266	(84,451)	69,810
Retirement benefit obligations	8,021	11,455	8,021	11,455
Cash generated from operations	282,112	127,976	279,307	122,582

	THE GROUP		THE COMPANY	
	2004 Rs'000	2003 Rs'000	2004 Rs'000	2003 Rs'000
(b) Cash and cash equivalents				
Cash at bank and in hand	59,911	70,714	47,061	50,298
Cash at bank and in hand acquired through business combination (note 27)	1	-	-	-
Short term deposits (note 11)	1,011,781	807,112	1,013,386	807,112
Bank overdraft acquired through business combination (notes 15 & 27)	(108)	(3,175)	-	-
	1,071,585	874,651	1,060,447	857,410

Notes to the Financial Statements – Year ended December 31, 2004

27. BUSINESS COMBINATION - ACQUISITION

- (a) On October 26, 2004, the Company acquired 100% of the share capital of Pension Consultants and Administrators Limited, a company engaged in the administration and 'Consultancy Services' of private pension funds.

Details of net assets acquired and goodwill are as follows:

	Rs'000
Cash paid	25,000
Fair value of net assets acquired	(1,200)
Goodwill	23,800

The goodwill is attributable to the significant synergies expected to arise after the acquisition of the subsidiary.

The assets and liabilities arising from the acquisition are as follows:

	Rs'000
Plant and equipment (note 4)	1,569
Intangible assets (note 5)	3,586
Trade and other receivables (note 10)	966
Bank and cash balances (note 26(b))	1
Shareholders' loan	(955)
Borrowings (note 15)	(3,344)
Bank overdraft (notes 15 & 26(b))	(108)
Deferred tax liability (note 17)	(302)
Trade and other payables (note 18)	(213)
Net assets acquired	1,200
Goodwill (note 5)	23,800
Total purchase consideration	25,000
Add:	
Bank overdraft in subsidiary acquired	108
Shareholders' loan	955
Cash outflow on acquisition (page 30)	-
	26,063

- (b) **Notional group results**

Had the acquisition occurred on January 1, 2004, the increase in group's results would have been as follows:

	Rs'000
Revenue	5,664
Profit for the year	197

Notes to the Financial Statements – Year ended December 31, 2004

28. FINANCIAL COMMITMENTS

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Outstanding commitments approved by the Board of Directors for the following investments:		
Loans	131,000	127,100
Investments in freehold properties	30,100	2,600
Investments in equities and securities	10,900	63,600
	172,000	193,300

29. ULTIMATE HOLDING COMPANY

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

30. INTEREST OF GROUP CHIEF EXECUTIVE/DIRECTORS

	Direct 2004 and 2003	
	No. of ordinary shares	%
Group Chief Executive		
- Jean De Fondaumière	653	0.026
Directors		
- Pierre Doger De Spéville	70	0.003
- M.J. Cyril Lagesse	1,250	0.05
	1,973	0.079

Notes to the Financial Statements – Year ended December 31, 2004

31. RELATED PARTY TRANSACTIONS - GROUP

	Sales of Services Rs'000	Equities Rs'000	Loans/ Debentures Rs'000	Premiums Due Rs'000	Amount Receivable from Related Parties Rs'000	Amount Payable to Related Parties Rs'000	Emoluments and Benefits Rs'000
2004							
Holding Company	-	-	-	-	10,081	130	-
Individual shareholders with significant influence	35,551	11,829	114,366	2,084	-	-	-
Enterprises that have a number of Directors in common	5,966	5,247	538	10,372	-	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	-	165,980	49,044	-	-	-	-
Key management personnel	-	-	-	-	-	-	23,403
	41,517	183,056	163,948	12,456	10,081	130	23,403
2003							
Holding Company	-	-	-	-	7,739	501	-
Individual shareholders with significant influence	3,950	719	86,000	422	-	-	-
Enterprises that have a number of Directors in common	1,155	112	538	3,016	-	-	-
Enterprises on which the Company and Subsidiaries exert significant influence	1,167	61,589	49,040	-	-	-	-
Key management personnel	-	-	-	-	-	-	19,585
	6,272	62,420	135,578	3,438	7,739	501	19,585

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

Notes to the Financial Statements – Year ended December 31, 2004

32. FINANCIAL REVIEW

	THE GROUP			THE COMPANY				
	2004 Rs'000	2003 Rs'000	2002 Rs'000	2004 Rs'000	2003 Rs'000	2002 Rs'000	2001 Rs'000	2000 Rs'000
Issued and paid up Share Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Proprietors' Fund	5,201	39,558	68,334	5,201	39,558	68,334	5,276	28,608
Life Assurance Fund	9,762,358	8,117,046	6,949,516	9,748,836	8,009,305	6,929,253	6,255,225*	5,616,275*
Dividends	38,500	35,000	30,000	38,500	35,000	30,000	27,500	25,000
Earnings attributable to Shareholders	32,320	34,401	36,703	32,320	34,401	36,703	24,693	27,066

* As restated

Group Company Secretary's Certificate – Year ended December 31, 2004

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



Jean Paul CHASTEAU DE BALYON
Group Company Secretary

22nd March 2005

Other Statutory Disclosures – Year ended December 31, 2004

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION AND BENEFITS

	2004 Rs'000	2003 Rs'000
Emoluments paid by the Company and its related corporations to:		
Directors of The Anglo-Mauritius Assurance Society Limited		
- Executive	-	-
- Non-Executive	1,069	1,069
	1,069	1,069
Directors of Subsidiary Companies		
- Executive (Nil in 2004 and 2003)	-	-
- 4 Non-Executive (4 in 2003)	21	21
	21	21

DONATIONS

	THE GROUP AND THE COMPANY	
	2004 Rs'000	2003 Rs'000
Donations made during the year	281	183

AUDITORS' FEES

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

	2004		2003	
	Audit Rs'000	Other Rs'000	Audit Rs'000	Other Rs'000
De Chazal Du Mée & Co				
The Anglo-Mauritius Assurance Society Limited	598	424	555	349
Swan Properties Limited	18	7	18	15
Verdun Industrial Building Company Limited	12	7	10	7
The Anglo-Mauritius Financial Services Limited	12	7	-	-
Pension Consultants and Administrators Limited	33	7	-	-
	673	452	583	371
Other Auditors				
Société de la Montagne	16	-	12	-
Société de la Croix	15	-	15	-
Société de la Rivière	8	-	7	-
Manufacturers' Distributing Station Limited	7	7	7	7
Standard Property Company Limited	22	-	19	-
	68	7	60	7

Other Statutory Disclosures – Year ended December 31, 2004

(pursuant to Section 221 of the Companies Act 2001)

DIRECTORS OF THE SUBSIDIARY COMPANIES

Ilot Fortier Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Investment & Administrative Co. (Mtius) Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Manufacturers' Distributing Station Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Mr. Gerald LINCOLN

Pension Consultants and Administrators Ltd.

Mr. Jean de FONDAUMIERE, C.A. - as from 21st October 2004 - Chairperson

Mr. Louis RIVALLAND, B. Sc. (Hons.), F.I.A. - as from 21st October 2004.

Mr. Gerald LINCOLN - as from 21st October 2004.

Mr. Jean Pierre HARDY - up to 21st October 2004.

Mr. Michel RIVALLAND - up to 21st October 2004.

Mr. Arnaud LAGESSE - up to 21st October 2004.

Standard Property Co. Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Mr. Gerald LINCOLN

Swan Properties Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Mr. Gerald LINCOLN

The Anglo-Mauritius Financial Services Ltd.

Mr. Jean de FONDAUMIERE, C.A. - Chairperson

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

Mr. Gerald LINCOLN

Mr. Paul ROUSSET, A.C.I.I.

Themis Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Verdun Industrial Building Co. Ltd.

Mr. Cyril MAYER, B. Com., C.A. (S.A.) - Chairperson as from 21st July 2004.

Mr. M. J. Cyril LAGESSE - Chairperson up to 21st July 2004.

Mr. Jean de FONDAUMIERE, C.A.

Mr. Gerald LINCOLN

Auditors:

BDO De Chazal Du Mée & Co.

Bankers:

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

Consulting Actuaries:

Deloitte & Touche LLP

Legal Advisers:

De Comarmond-Koenig

Main Reinsurers:

Swiss Re Life & Health Limited

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 Shareholders of the Company to be held on Wednesday 1st June 2005 at
10.45 hours and at any adjournment thereof.

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

	FOR					AGAINST					ABSTAIN				
2. To consider and approve the Annual Report including the Audited Financial Statements of the Company and the Group at 31st December 2004.															
3. To re-appoint BDO De Chazal du Mée & Co. as Auditors of the Company until the conclusion of the next Annual Meeting and to fix their remuneration.															
4. 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.															
5. To elect as Directors of the Company Messrs. Henri Harel, Sulliman Adam Moollan, Victor Seeyave, Jean de Fondaumière and Louis Rivalland. Each of the above-named shall be elected by a separate resolution.	HH	SAM	VS	JDF	LR	HH	SAM	VS	JDF	LR	HH	SAM	VS	JDF	LR

Dated this day of 2005.

(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.

